

Energy Efficiency Independent Evaluators' Semiannual Report

Southern California Gas Company

Third-Party Energy Efficiency Program Solicitations

Reporting Period: April 2021 through September 2021

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Disclaimer: This Report includes sensitive and confidential information.

ENERGY EFFICIENCY INDEPENDENT EVALUATORS' SEMIANNUAL REPORT

TABLE OF CONTENTS

A. Purpose	1
B. Background.....	1
C. Overview of Solicitations	3
D. IE Assessment of Solicitations	5
E. IOU Emerging Effective Practices.....	9
F. PRG Feedback	9
G. Stakeholder Feedback from CPUC Workshops.....	10
Attachment II: Individual Energy Efficiency Independent Evaluators' Semi-Annual Reports.....	13
Statewide Midstream Water Heating Program.....	2
Statewide Gas Emerging Technologies Program	8
Local Large Commercial Program	28
Local Agricultural Program	32
Local Behavioral Program	37
Local Industrial Sector Solicitation	47
Local Large Public Sector Program	57
Local Marketplace Solicitation	66
Local Outreach Program	72

I. Overview

A. Purpose

The Independent Evaluators' (IE) Semi-Annual Report (Semi-Annual Report or Report) provides an assessment of the Southern California Gas Company's (SoCalGas or the Company) third-party energy efficiency (EE) program solicitation process and progress by SoCalGas' assigned IEs.

Each investor-owned utility (IOU) is required to select and utilize a pool of IEs with EE expertise to serve as consultants to the Procurement Review Group (PRG).¹ For the entire solicitation process, the IE serves as a consultant to the PRGs, participates in PRG meetings, and provides assessments of the overall third-party solicitation process and progress.² The IEs are privy to viewing all submissions, are invited to participate in the IOU's solicitation-related discussions, and are bound by confidentiality obligations.

In Decision 18-01-004, the California Public Utilities Commission (CPUC) directs that a semiannual report on the overall process and conduct of the third-party solicitations be filed in the relevant EE rulemaking proceeding.³ This Report is provided in response to this requirement and represents an assessment of the program solicitation activities conducted from April 1, 2021, through September 30, 2021. This Report provides feedback to the CPUC on the progress of the SoCalGas' EE program solicitations.

This Report identifies improvement areas and highlights effective practices recognized by the IEs based on SoCalGas' current program solicitations. The Report does not replace the required Final IE Solicitation Reports, which each respective assigned IE will provide to SoCalGas and its PRG after each solicitation. These reports will be filed periodically throughout SoCalGas' entire third-party program solicitation process.

B. Background

In August 2016, the CPUC adopted Decision 16-08-019, which defined a "third-party program" as a program proposed, designed, implemented, and delivered by non-utility personnel under Contract to a utility program administrator. In January 2018, the CPUC adopted Decision 18-01-004 directing the four California IOUs— SoCalGas, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E)—to ensure that their EE portfolios contain a minimum percentage of third-party designed and implemented programs by predetermined dates over the next three years.⁴ Further directions were included in Decision 18-05-041, which states:

The third-party requirements of Decision (D.) 16-08-019 and D.18-01-004 are required to be applied to the business plans of the investor-owned utilities approved in this decision. All utility program administrators shall have at least 25 percent of their 2020 program year forecast budgets

¹ Decision 18-01-004, OP 2.

² Id, p. 38.

³ OPN 5.c.

⁴ Decision 18-05-041, the CPUC extended the original target date for the 25 percent threshold from December 31, 2018, to December 19, 2019.

*under Contract for programs designed and implemented by third parties by no later than December 19, 2019.*⁵

Two-Stage Solicitation Approach

The CPUC requires the IOUs to conduct a two-stage solicitation approach for soliciting third-party program design and implementation services as part of the EE portfolio. All IOU solicitations must include a Request for Abstract (RFA) stage, followed by a full Request for Proposal (RFP) stage.⁶

The CPUC also requires each IOU to assemble an EE PRG. The IOU's PRG, a CPUC-endorsed entity, is composed of non-financially interested parties such as advocacy groups, utility-related labor unions, and other non-commercial, energy-related special interest groups. The PRG oversees the IOU's EE solicitation process (both local and statewide), reviewing procedural fairness and transparency. This oversight includes examining overall procurement prudence and providing feedback during all solicitation stages. Each IOU briefs its PRG periodically throughout the process on topics including RFA and RFP language development, abstract and proposal evaluation, contract negotiations, and development of the program's Implementation Plan.

Extension Request

In October 2019, SoCalGas requested an extension of time from the CPUC for the 25 percent threshold target date to fully execute its planned solicitation schedule to procure new third-party programs and to account for the newness of the program solicitation process. On November 25, 2019, the CPUC's Energy Division granted SoCalGas an extension of time to meet the 25 percent threshold by September 30, 2020.⁷

The CPUC further stated that, consistent with Decision 18-05-041, the IOUs must meet at least 40 percent of their EE portfolios under Contract for programs designed and implemented by third parties by December 31, 2020. The CPUC will grant no further extensions of time to the IOUs for meeting the third-party percentage requirements specified in Ordering Paragraph 4 of Decision 18-05-041.

Guidance Letter from the Energy Division

On March 11, 2020, the Energy Division provided additional guidance to the IOUs in response to specific challenges experienced in the market, as raised through the semiannual CPUC-hosted public workshops to identify process improvements directed at the following issues:

Solicitation Schedules

- Allocate up to 12 weeks from RFA release to notify bidders of invitation to respond to RFP.
- Allocate up to 15 weeks from RFP release to notification to bidders' invitation to

⁵ OPN 4.

⁶ Decision 18-01-004, p. 31.

⁷ CPUC Letter to IOUs regarding the "Request for Extension of Time to Comply with Ordering Paragraph 4 of Decision 18-05-041", November 25, 2019.

contract negotiation.

- Execute Contract 12 weeks after an invitation to contract negotiation unless the IOU is conducting multiple negotiations within the same solicitation, the program is complex, or the contract addresses challenging elements.
- Update the solicitation schedules in the next quarterly update.

RFA Guidance

- Adhere to the intent of the RFA stage explained in Decision 18-01-004.
- Refrain from requesting excessive detail in the RFA stage.

IOU Communication to Bidders

- Notify bidders of the status of the solicitation throughout the entire process.
- Provide better feedback to bidders by delivering on their commitments made in response to stakeholder requests.
- Provide non-advancing bidders notification if their abstracts/proposals did not advance due to an incomplete or non-conforming submission, a violation, or an unmitigated conflict of interest.
- After the June 30 and September 30, 2020, deadlines are met, the Energy Division encourages the IOUs to make feedback available to bidders notified before the date of this letter that they did not advance to the next stage of solicitations.

C. Overview of Solicitations

This Report represents a collection of individual IE assessments for each of SoCalGas’ active program solicitations. The Report also provides an overview of solicitation activities and a high-level summary of issues and potential recommendations gleaned from the individual IE assessments for ease of review. The Report does not address program solicitations for which SoCalGas has yet to release an RFA.

Table C.1 lists each of SoCalGas’ current third-party solicitations, including a breakdown of each solicitation, assigned IE, and status.

Table C.1: Solicitations Overview		
Solicitations	Assigned IEs	Solicitation Status
Local Residential Single Family	The Mendota Group	Completed
Local Residential Multifamily	The Mendota Group	Completed
Local Small and Medium Commercial	Don Arambula Consulting	Completed
Local Small and Medium Public	Apex Analytics	Completed
Statewide Point-of-Sale Food Service	MCR Corporate Services	Completed
Statewide Midstream Water Heating	MCR Corporate Services	Completed
Statewide Gas Emerging Technologies	Don Arambula Consulting	Completed
Local Residential Manufactured Homes	Apex Analytics	Completed
Local Large Commercial	Don Arambula Consulting	Completed
Local Agricultural	MCR Corporate Services	Completed
Local Behavioral	Apex Analytics	Partially Executed
Local Industrial	Don Arambula Consulting	RFP

Solicitations	Assigned IEs	Solicitation Status
Local Large Public	Apex Analytics	RFA
Local Marketplace	Don Arambula Consulting	RFA
Local Outreach	Apex Analytics	RFP
Legend: Pre-RFA: Activities conducted before RFA release. RFA: Includes bid preparation and evaluation period. Pre-RFP: Activities conducted before RFP release. RFP: Includes bid preparation and evaluation period. Contracting: Contract negotiations being held. Contract Executed: Both parties signed the Contract. Completed: All solicitation activities have concluded and reported in prior Semi-Annual Reports. Suspended: Solicitation held until a later date. Canceled: Solicitation was withdrawn; scope may be included as part of a future solicitation.		

As of the conclusion of this reporting period, the contracts shown in Table C.2 have been executed and applied to the IOU's minimum third-party program threshold requirement as directed by the CPUC in Ordering Paragraph 4 of Decision 18-05-041.

Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ⁸
Local Small and Medium Commercial	Franklin Energy Services	Small and Medium Commercial Energy Efficiency Program	September 24, 2020	\$4,499,999	9.6%
Local Small and Medium Commercial	ICF Resources, LLC	C-BEST Program	August 31, 2020	\$5,996,023	10.4%
Local Residential Single Family	Synergy Companies	Residential Advanced Clean Energy Program	September 21, 2020	\$9,000,000	42%
Local Residential Single Family	Global Energy Services, Inc.	Community Language Efficiency Outreach Program	September 21, 2020	\$2,994,250	100%*
Local Residential Multifamily	ICF Resources, LLC	Multifamily Energy Alliance Program	September 21, 2020	\$5,999,990	12.4%
Local Residential Multifamily	Energx Controls, Inc.	Multi-Family Space and Water Heating Controls Program	December 23, 2020	\$1,338,039	20.7%
Local Small and Medium Public	Synergy Companies	Small-Medium Public Program	August 31, 2020	\$6,000,000	42%
Large Commercial	Willdan	Large Commercial Program	December 17, 2020	\$12,350,000	40%

⁸ The DBE spend is an estimate from the contracts to show the percentage of the budget that is forecasted to be subcontracted with DBE firms. Actual DBE spend will be reported by the IOU per General Order 156. These programs may contain significant levels of customer incentives that are not eligible for DBE classification.

Table C.2: Summary of Executed Contracts					
Solicitation	Implementer	Program Name	Contract Execution Date	Total Contract Value	Diverse Business Enterprise (DBE) % ⁸
Large Commercial	Enovity, Inc.	Service RCx+ Large Commercial Program	December 23, 2020	\$2,650,000	0%
Local Manufactured Homes	Synergy Companies	Comprehensive Manufactured Homes Program	December 21, 2020	\$4,800,000	42%
Local Manufactured Homes	Staples & Associates	Residential Manufactured Homes Program	December 23, 2020	\$2,700,000	13.3%
Statewide Point-of-Sale Food Service	Energy Solutions	California Foodservice Instant Rebates Program	November 23, 2020	\$46,826,772	6.8%
Statewide Midstream Water Heating	DNV Energy Services USA, Inc.	Statewide Midstream Water Heating Program	November 20, 2020	\$45,840,873	20.3%
Local Agricultural	ICF Resources, LLC	Agriculture Energy Efficiency (AgEE) Program	December 14, 2020	\$8,996,359	0.7%
Statewide Gas Emerging Technologies	ICF Resources, LLC	Statewide Gas Emerging Technologies Program	June 24, 2021	\$8,880,804	21%
Local Behavioral	Oracle	Customer Usage and Therm Engagement Program	October 29, 2021	\$9,279,600	31%
Local Behavioral	Bidgely	Performance-Based Next Gen HERs for All	November 1, 2021	\$2,078,883	0%
Total				\$180,231,592	20.0%
* Implementer is a certified DBE.					

D. IE Assessment of Solicitations

Table D.1 presents key observations gleaned from the individual IE reports on specific solicitations, as further detailed in Attachment II. Corresponding details about each observation are also provided in Table D.1, including a summary of IE recommendations and outcomes.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
RFA			
Low Bidder Participation	SoCalGas re-issued the Large Public RFA to increase bidder participation.	To encourage more bidders, SoCalGas should combine large public with other offerings such as large	The IOU will consider the recommendation in future solicitations.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
		commercial or small/medium public in future solicitation cycles.	
Updated Scorecard Approach			
Cost-Effectiveness	The cost-effectiveness metric assesses “the approach for maximizing cost-effectiveness” and was vague and difficult to score.	The IE recommends removing the cost-effectiveness question from the RFA stage. The PRG should remove this recommendation from the PRG Guidelines.	New recommendation.
Bidder Experience	During the calibration session, the Experience criteria required considerable discussion about “similar” and “relevant” assessments.		“Similar” and “relevant” were better defined for the RFP as suggested.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
Contracting and Implementation			
Contract Template	The contract template implies a traditional program of incentives and installations rather than a software-as-a-service program. SoCalGas was unwilling to make significant changes to its proposed terms and conditions.	To facilitate a smoother process, SoCalGas should conduct a detailed review and modification of the template to accommodate non-traditional programs.	SoCalGas intends to review contracts before beginning negotiations for the Outreach program.
Risk Shifting to Bidders	<p>A bidder identified nine areas of major contract concerns where the bidder felt there was unbalanced risk-sharing among parties.</p> <p>SoCalGas only made a minor accommodation to a cap on limits of liability. The IE has previously recommended one area of concern be adjusted for all future contracts, one that allowed SoCalGas to solely judge whether a force majeure event provides an acceptable reason for delay.</p>	<p>The IE recommends that SoCalGas adjust the language in Excusable Delays in all future contracts.</p> <p>The IE recommends that SoCalGas consider revising its contract for all future solicitations to better balance the risk among implementers and IOU.</p>	SoCalGas adopted the recommendation and modified the contract.
Contract Negotiations Timeline	The SoCalGas legal team did not actively engage in the Behavioral Program negotiations until after repeated requests by the bidder and nearly three months after negotiations began. SoCalGas indicated they had legal staff turnover during that period that contributed to delays, but also the fact this bidder required more legal feedback because they asked for more changes than normally requested.	The IE recommends that the SoCalGas legal team be more actively involved in contract negotiation from the beginning.	New recommendation.

Table D.1: IE Observations and Outcomes			
Topics	Key Observations	IE Recommendations	Outcomes
Multi-Year Treatment of Ongoing EE Projects	The Statewide Emerging Technologies (ET) program has historically maintained several multi-year projects, which can continue much longer beyond the three-year cycle. The contract is silent regarding the closeout of multi-year projects that extend beyond the contract cycle.	The contract should address the potential for projects extending past the three-year contract term. Alternatively, parties should agree on supporting projects that extend beyond the contract term in a future change order.	The IOU will address in the future if projects extend beyond the three-year contract term.
Annual Carryover of Committed Funds	The contract does not address the carryover of financial commitments from year to year within and beyond the contract period. It also does not define what it is considered a program financial commitment.	It is important to define financial commitments as part of the program contract, or the program's Implementation Plan, especially given the nature and long-term potential of the ET work. The CPUC has established policies that provide adequate direction to the IOUs to address such funding commitment policies in the Contract or the Implementation Plan.	SoCalGas considers such funding policies set by the CPUC in the annual budget filing, and it would be misleading to the implementer to do so in the contract.
Coordination Among Gas and Electric Statewide ET Program Implementers	There will likely be opportunities for the new statewide ET program implementers to coordinate assessments of gas and electric emerging technologies. Also, there may be opportunities to share and create effective practices among these implementers at the onset and during program delivery.	To take advantage of potential opportunities among gas and electric ET implementers, these implementers should be encouraged to coordinate ET project planning closely and, if applicable, project delivery.	The contract encourages coordination among the two statewide programs.

Topics	Key Observations	IE Recommendations	Outcomes
Program Implementer Coordination with New Market Transformation Administrator	The ET program activities and outcomes may likely be linked to upcoming market transformation activities.	The statewide ET implementers should work collaboratively, continuously, and directly with the new market transformation administrator on future market transformation initiatives.	The Contract encourages coordination with the upcoming market transformation activities.

E. IOU Emerging Effective Practices

During the implementation of the solicitations, the IEs observed emerging effective practices that, when adopted, can make the process more effective, efficient, and more transparent for future solicitations. The IEs recommend that the practices identified in Table E.1 be implemented by all the IOUs for future EE solicitations.

Emerging Best Practice	IE Analysis	Initial Date
Scorer Training	IOU develops a process for training the scoring team for each solicitation and holds mock scoring sessions. This is an effective way to ensure that all scorers have the same expectations and understanding of what they are scoring.	December 2020
Collaborative Negotiations	Collaborative negotiations focus on improving the program offering which is a primary consideration in contract negotiations.	December 2020
Multiple Rounds of Q&A	SoCalGas provides more than a single round of Q&A, which allows bidders to provide follow-up questions and affords bidders more opportunity to ask questions.	December 2020
Contract Negotiations	SoCalGas utilizes an Excel-based comment tracker to record proposed changes and responses to the initial draft contract. This allows both parties to easily identify propose changes and record the outcome and rationale for each proposed change.	December 2020
Collaborative Negotiations	SoCalGas conducts collaborative contract negotiations, which produces an improved program offering and cost-effectiveness showing at a lower cost to ratepayers. The collaboration creates a sense of partnership among the IOU and implementer.	June 2021
Bidders' Conference	SoCalGas is using a new conference system (Teams Live) that allows for improved features such as attendee tracking, recording, and integrated Q&A. It is helpful information and provides a good foundation for any new market entrants.	June 2021

Table E.1: Effective Solicitation Practices		
Emerging Best Practice	IE Analysis	Initial Date
Solicitation Kickoff Meeting	SoCalGas hosts a solicitation kickoff meeting with the assigned IE, program staff, and solicitation staff to discuss the solicitation and understand the current program structure and SoCalGas' solicitation goals. This is helpful in aligning the SoCalGas team early on the solicitation and makes the RFA package review more efficient.	June 2021

F. PRG Feedback

The IOU generally accepted the PRG recommendations during this reporting period. Individual reports reflect specific PRG feedback and the IOU's responses. For a greater discussion of the PRG and IE recommendations, refer to the individual IE solicitation reports presented in Attachment II.

G. Stakeholder Feedback from CPUC Workshops

July 2021 Stakeholder Meeting

The CPUC, in Decision 18-01-004, requires that its Energy Division host semi-annual workshops through the end of 2022 to “allow for information discussion and problem-solving among stakeholders about the progress of the third-party solicitations and for consideration of the semi-annual IE reports.”⁹ The Energy Division held the last stakeholder meeting on July 28, 2021. The session focused on recapping all EE third-party solicitations from both the IOUs' and the IEs' perspectives. It provided an opportunity for stakeholders to ask questions, provide comments, and receive updates on the solicitations. Participants included PRG members, IEs, CPUC Energy Division staff, IOUs, bidders in solicitations, and other stakeholders. The meeting presentations and agenda are available on the California for Energy Efficiency Coordinating Committee's (CAEECC) website.¹⁰

The topics covered included the following:

Progress on Key Stakeholder Issues: The IOUs and Energy Division reported that they had heard clearly from stakeholders concerns regarding solicitation timing, the effectiveness of the two-stage process, the cost-effectiveness tool (CET) as an impediment to participation, feedback to bidders, and issues related to smaller, more diverse bidders participating in solicitations. Energy Division reported that, while there has been meaningful progress on some of these issues (reduced duration of solicitations, more streamlined RFA, additional CET guidance), work continues. The Energy Division and IOUs expressed their interest in hearing about any other emerging issues associated with solicitations.

Solicitation Updates: The four IOUs provided updates on executed contracts and how they fit into their portfolios. SoCalGas noted that the CPUC's shift to total system benefits (TSB) changes the target metric away from energy savings starting in 2024, so they will provide TSB as information-only until then. SCE and SDG&E remarked on the shift towards TSB and how this will not affect any currently approved contracts. PG&E executed more than 25 contracts in the last reporting

⁹ Decision 18-01-004, OP 26.

¹⁰ <https://www.caeccc.org/cpuc-third-party-public-meetings>

period. PG&E also announced its Micro- and Small Business solicitation for small commercial customers. The solicitation is PG&E's first equity Segment-focused solicitation since the CPUC directed Program Administrators to segment their portfolios into three categories, with the primary purposes of resource acquisition, market support, and equity.¹¹ All utilities noted that they were on track to meet the CPUC's requirement that third-party programs constitute a minimum of 60 percent of their portfolio budgets by December 31, 2022. They also noted that they were reviewing their portfolios and maybe issuing additional solicitations.

Independent Evaluators' Semi-Annual Reports: The IEs presented observations from their semi-annual reports regarding individual utility solicitation processes, highlighting that IOUs should continue efforts to simplify documents and engage in continuous improvement. The IEs also noted effective solicitation practices that IOUs are employing, including holding detailed and well-developed score team training, leveraging collective knowledge from their pools of IEs, using Word for qualitative aspects of bid documents and Excel for quantitative responses, conducting more effective bidders' conferences (with real-time answers to most questions), reducing the complexity of RFAs and RFPs, and adopting a two-way dialog for bidder feedback.

Semi-Annual Report Redactions: Stakeholders expressed concerns about the number of redactions in the public versions of the Semi-Annual Reports. The IEs responded that they are working with the PRG and Energy Division to produce public reports separate from private reports with fewer redactions.

Third-Party Process Evaluation Study Update: Energy Division briefly discussed an Opinion Dynamics study they commissioned to assess the two-stage solicitation process, bidder selections, and contract negotiations. Results of the study will be discussed at future workshops.

Two-Stage Solicitation Task Force Progress Report: Energy Division formed the Two-Stage Solicitation Task Force to investigate concerns about the overly complex RFA process and its implications for selecting and implementing third-party EE programs. The Task Force observed that some of the RFA complexities are derived from CPUC, IOU, and PRG requirements and from efforts to balance providing/obtaining sufficient information to facilitate a robust selection and contracting process while not overburdening bidders. Stakeholders expressed continuing interest in IOUs incorporating a Request for Qualifications (RFQ) instead of an RFA, believing this would be less burdensome than an RFA. The Task Force discussed the potential for incorporating an RFQ, although most IOUs did not see this as a viable option. Many IOUs have made substantial progress in reducing the complexity of information that bidders must submit in their abstracts, but there is still room for improvement. The Task Force will continue to pursue efforts to streamline the solicitation process.

Overview of Engagement Touchpoints: A critical touchpoint for bidders and other stakeholders is the IOUs' Implementation Plan webinars, which are informative about the selected program(s). Some bidders find the webinars helpful and are surprised they are not better attended. Others noted the lack of consistency across the webinars.

Cultivating Small and Diverse Businesses: Ideas and feedback were gathered from attendees on strategies to enable small and diverse businesses to be more competitive and successful as implementers. The IOUs set the stage with information about their current practices and plans for encouraging and supporting small and diverse businesses as bidders and implementers of third-party

¹¹ Decision 21-05-031, OP 2.

programs. Multiple attendees asked the IOUs questions regarding whether including Small Business Enterprise (SBE)/DBE firms on Implementation teams affects scoring. Due to the sensitivity of information about scoring practices, some of the IOUs in attendance only partially answered these questions. Attendees raised various opportunities for improvement, including:

- clarifying that non-profits may be eligible for DBE certification through the CPUC's Supplier Clearinghouse,
- reconsidering the balance of financial risk related to implementer compensation structures and timely implementer payments to address implementer's working capital needs related to program delivery, and
- recognizing how restrictive contract requirements can flow down to subcontractors, creating barriers for these subcontractors, including SBEs and DBEs.

Bidder Feedback: There have been ongoing discussions about improving IOU feedback to unsuccessful bidders. Stakeholders noted that there had been positive movement, with some utilities providing better feedback than previously. Overall, bidders participating in the meeting expressed dissatisfaction with the feedback because it was not sufficient to help them improve their submittals. All IOUs are providing some bidder feedback now; however, there is little consistency in the IOU's approaches. The type of feedback ranges from IOUs sending letters, others conducting brief yet highly structured meetings with a set format for feedback, and others providing general bidder feedback through large meetings. IOUs continue to assess ways to provide more feedback but acknowledged that IOU sourcing departments and legal staff are reluctant to give bidders too much detail. There was significant discussion about potential solutions and approaches for IOUs to provide more helpful information to bidders while not giving any one bidder an unfair advantage.

Attachment II: Individual Energy Efficiency Independent Evaluators' Semi-Annual Reports

Energy Efficiency Independent Evaluator's Semi-Annual
Report on the

STATEWIDE MIDSTREAM WATER HEATING PROGRAM

Reporting Period: April 2021 through September 2021

Prepared by:
MCR Corporate Services



Disclaimer: This report includes sensitive and confidential information.

Statewide Midstream Water Heating Program

1. Solicitation Overview

1.1. Overview

SoCalGas is the statewide lead program administrator responsible for the Statewide Midstream Water Heating program.¹² SoCalGas sought proposals from third-party implementers to propose programs to be implemented on a statewide basis.

The Statewide Midstream Water Heating solicitation is one of two simultaneous statewide solicitations, the other being the Statewide Point-of-Sale Food Service program, which is reported separately. Many of the activities described in these two reports are the same, in terms of schedule and effort, for both solicitations. For example, both statewide solicitations share a common schedule, which results in common events such as solicitation release, bidder web conferences, due dates, etc.

a. Scope

SoCalGas manages a large portfolio of customer-focused EE programs and utilizes third-party program implementers to serve residential and nonresidential customers within its service territory. The Statewide Midstream Water Heating solicitation provides an opportunity for third parties to propose, design, implement, and deliver new, innovative, and cost-efficient programs to help SoCalGas achieve its portfolio goals.¹³

The focus of this solicitation is to encourage higher efficiency water heating products into the non-residential market by leveraging the distributor group to target small, medium, and large non-residential, public, and multi-family customers throughout the IOUs' service territories. As this program is designed to effectively promote EE at the midstream distributor level, the term "Distributor," which includes both cash and carry and online organizations, can be defined to include equipment manufacturers, wholesale distributors and dealers. Market actors such as, but not limited to, buying groups, build design consultants/contractors, operators, and service and maintenance companies can provide market influence in procurement of higher efficient water heating equipment.¹⁴

b. Objectives

The purpose of this solicitation is to invite the EE industry to collaborate with the IOUs to offer an innovative, resource-based EE program(s) to non-residential customers¹⁵ throughout the four IOU service territories.

This solicitation is based on the vision and goals presented in the approved SoCalGas Business Plan,¹⁶ which seeks to increase the sale of higher efficiency water heaters into the non-residential

¹² In Decision (D) 18-05-041, the CPUC assigned Program Administrators to lead specific statewide programs.

¹³ RFP 101454 – Statewide Midstream Water Heating Request for Proposal, Southern California Gas Company, (SoCalGas RFP) January 29, 2020, at p. 2.

¹⁴ Id., at p. 11.

¹⁵ For the purpose of this solicitation, the term "customer" refers to, but is not limited to, an end-use utility customer, contractor or any other entity positioned between the end-use customer and the "Distributor."

¹⁶ SoCalGas Business Plan, at p. 27.

market by leveraging the distributor and contractor communities.

This solicitation encourages the exploration of all relevant midstream delivery channels to produce a cost-effective program to maximize natural gas, electric, and water efficiency savings for small, medium, and large non-residential, public, and multi-family common area water heating on a commercial rate. Although traditional programs have proven to be successful, the legislative and regulatory mandate of doubling the EE target requires more aggressive and comprehensive efficiency upgrades. Multi-family common area water heating equipment is also acceptable within this solicitation.¹⁷

Proposals may address all, or a subset of, Midstream Water Heating distributors throughout the IOUs' service territories but should include the flexibility to target specific distributors based on criteria such as specific climate zones hard-to-reach (HTR) status, and members of disadvantaged communities (DAC). Bidders should consider the segment challenges/barriers identified in Table 1.1 in their submissions.

1.2. Timing

Table 1.1 details the actual milestones for the Statewide Midstream Water Heating solicitation.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA Stage		
Solicitation Launch	August 12, 2019	23 weeks
Bidder Conference	August 19 and 21, 2019	
Offer Submittal Deadline	September 27, 2019	
RFA Shortlist to PRG	January 7, 2020	
Shortlisting Notification	January 23, 2020	
RFP Stage		
Solicitation Launch	January 29, 2020	15 weeks
Bidder Conference	February 10, 2020	
Offer Submittal Q&A Period	January 29 through February 26, 2020	
Offer Submittal Deadline	March 18, 2020	
Cure Period	N/A	
RFP Shortlist to PRG	May 5, 2020	
Shortlisting Notification	May 15, 2020	
Contracting Stage		
Contracting and Negotiations Period	June 18–October 30, 2020	17 weeks
Contracts Presented to PRG	October 6, 2020	
Contract Execution	November 20, 2020	

1.3. Key Observations

Table 1.2 represents a collection of key IE issues, observations, and outcomes (where applicable), from the assigned IE for the Statewide Midstream Water Heating solicitation.

¹⁷ SoCalGas RFP, at p. 11.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
CET Training	Based on the bidders' responses to the survey about SoCalGas' CET Training, the amount of bidder experience and knowledge necessary to successfully and effectively perform a CET run is very high. Some IOUs are now offering CET training to bidders, but some bidders are not at the point where they are confident that they can create the input files necessary for a successful CET run.	Since each IOU requires all RFP respondents to furnish CET inputs and outputs and the operation of the CET is uniform across the state, CET training should be conducted by a single entity on a statewide basis, rather than be the responsibility of the individual IOUs. Statewide training would be more efficient and more consistent, and economies of scale would allow for different levels of training (basic, intermediate, advanced, etc.).	SoCalGas initially agreed to consider this recommendation. Ultimately, neither SoCalGas nor any other California IOU has initiated the recommended statewide training.
RFP Scorecard		Order the questions in the Scorecard and Scorecard Criteria so they follow the order of the proposal sections.	SoCalGas decided to leave the order unchanged because the existing order facilitated calibration meetings.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Calibration Meetings	Evaluators sometimes needed to take time to read and review the question, the bidder’s response, and their own notes before they could effectively discuss a question. While this caused no problems with the process or biased results, it did slow the process.	IOU evaluators should receive the list of questions needing calibration at least one day prior to the respective Calibration Meeting, to allow time to review and prepare prior to the meeting. This should make Calibration Meetings more efficient.	SoCalGas adopted this recommendation, and it had a generally positive impact on Calibration Meeting efficacy, since not all evaluators availed themselves of the time to prepare.

2. RFA Bidder Response and Selections

SoCalGas’ Statewide Midstream Water Heating RFA development activities were reported in the May 2019 through October 2019 Semi-Annual Report.

3. RFP Bidder Response and Selections

The development of SoCalGas’ Statewide Midstream Water Heating RFP was reported in the May 2019 through October 2019 and November 2019 through March 2020 Semi-Annual Reports.

4. Contracting Process

4.1. Contract Negotiations

SoCalGas selected DNV¹⁸ to negotiate a contract as the implementer for the Statewide Midstream Water Heating program. Contract negotiations with DNV were reported in the April 2020 through October 2020 Semi-Annual Report.

4.2. Final Selection

SoCalGas negotiated with only DNV for the Statewide Midstream Water Heating contract.

4.3. Contract Execution

The execution of SoCalGas’ contract with DNV for its Statewide Midstream Water Heating Program was described in the October 2020 through March 2021 Semi-Annual Report.

4.4. PRG and IE Feedback to Contracting

PRG and IE feedback to contracting for SoCalGas’ Statewide Midstream Water Heating contract with DNV for its Statewide Midstream Water Heating Program were reported in the October 2020 through March 2021 Semi-Annual Report.

¹⁸ On March 19, 2021, just after Energy Division’s approval of advice letter 5737-G (AL5737) for the Statewide Midstream Water Heating program, the implementer informed SoCalGas that they had completed a corporate name change to “DNV” (dropping the “GL”) with no change in legal entities.

5. Assessment of Final Contract

Bid selections were included in the April 2020 through October 2020 Semi-Annual Report.

6. Overall Assessment of Solicitation

As overall assessment of SoCalGas' Statewide Midstream Water Heating solicitation was provided in the April 2020 through October 2020 Semi-Annual Report.

7. Implementation Plan Assessment

The IE reviewed DNV's Statewide Midstream Water Heating Program Implementation Plan (Plan) and its constituent manuals and supporting documents and provided comments to SoCalGas. The IE's comments were primarily to request additional detail in terms of timing and responsibilities and learn why there had been some changes in the program's contracted measure mix. Regarding the changes in measures, DNV informed the IE that the workpapers supporting the measures in the contract were based on a faulty version of the Water Heating Calculator. Following the corrections to the Water Heating Calculator, DNV updated the measure list to match a new workpaper.

The IE found that the Plan followed the required template (Ver 2.0, January 2020, Appendix A) and that the Plan included all the required Program information (Program Overview, Budget and Savings, Narrative, and Supporting Documents and Program Manuals) and, most importantly, did not vary from the executed contract (except for changes to some measures, as noted above). SoCalGas subsequently posted the draft Plan to the CAEECC website on April 5, 2021.

As required by Section 6.5.5 of the PRG Solicitation Guidelines (Ver 1, August 2020), SoCalGas hosted the presentation of the draft Statewide Midstream Water Heating Program Implementation Plan to the public on April 12, 2021, via Microsoft Teams. The presentation was made by representatives of program implementer DNV. The public webinar, which lasted one hour, including about 20 minutes for questions from attendees. The presentation followed the Plan and was presented clearly and concisely.

Webinar attendance peaked at 40 persons. Table 7.1 below enumerates the public webinar attendees by organization.

Organization	Count
Cal Advocates	2
CCA	3
Consultant (Other than program implementer)	5
Independent Evaluator	3
PG&E / SCE / SoCalGas / SDG&E	17
Program Implementer (DNV)	7
Unknown	3
Total	40

SoCalGas posted the final Plan to the CEDARS on April 19, 2021, once the IE had reviewed the final Plan and its appendices to determine which comments/recommendations DNV had accepted.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

STATEWIDE GAS EMERGING TECHNOLOGIES PROGRAM

Reporting Period: April 2021 through September 2021

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Statewide Gas Emerging Technologies Program

1. Solicitation Overview

This Report on the Statewide Gas Emerging Technologies (GET) Program (Statewide GET Program or Program) solicitation covers the solicitation in its entirety from the development of the RFA through contract execution.

1.1. Overview

The Statewide GET Program is a cross-cutting, non-resource program designed to help California IOU-funded EE programs meet the state's EE needs by identifying emerging technologies that can deliver cost-effective energy savings. The Program will allow program administrators and program implementers to receive actionable market information to inform program delivery, as well as helping technology manufacturers understand what measures are needed for California EE program portfolios.

a. Scope

On behalf of PG&E, SDG&E, and itself, SoCalGas sought program proposals from entities to propose, design, implement, and deliver innovative approaches addressing GET's vision and needs as further detailed in the natural gas IOUs' Energy Efficiency Business Plans (Business Plans).¹⁹

b. Objectives

The GET Program solicitation seeks programs with innovative design approaches, cost-efficient implementation, and timely introduction of new EE emerging technologies by performing the following activities:

- Identify, screen, assess, demonstrate, showcase, and pilot emerging, underutilized, commercially-available gas EE emerging technologies, products, and services (including those identified by the California Energy Commission and the IOU Statewide Codes & Standards Programs for adoption in upcoming codes and standards) as appropriate for inclusion in California EE program portfolios.^{20, 21}
- Provide information about program portfolio EE measure needs to technology, product, and service developers, manufacturers, technology development actors, and other

¹⁹ See Emerging Technologies sector presentations within the IOUs' EE Business Plans.

<https://www.caeecc.org/business-plans-1>

²⁰ Decision 12-05-015 OP 99: "Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall coordinate with the Codes and Standards program and the California Energy Commission's Codes and Standards programs to (a) support the advancement of emerging technologies and approaches, including demonstration of technologies, that are candidates for adoption into future codes and standards as well as Reach Codes, and (b) identify critical early planning workforce training needs for advanced technologies."

²¹ Decision 12-05-015 OP 91: "In the Codes and Standards program implementation plan sections of their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a detailed description for the statewide "Planning and Coordination Subprogram" that implement the "integrated dynamic approach." The program implementation plan should include an outline of the relevant roles of each of the Codes and Standards sub-programs relative to other IOUs programs and non-IOUs initiatives, as well as program objectives, strategies, expected outcomes, and program budgets."

stakeholders that engage in the California technology development pipeline so they may tailor their offerings accordingly.²²

- Identify the non-energy benefits of emerging and underutilized energy-saving technologies, products, and services to help utility customers better understand the product's value proposition, thus stimulating their adoption.

1.2. Timing

The GET Program solicitation was delayed several times during 2019, while SoCalGas discussed the program scope and approach with the other IOUs and the Energy Division. Ultimately, the GET RFA was released on February 12, 2020.²³ The RFP was initially scheduled for release in July 2020. However, the solicitation was delayed until August 2020 due to extended discussions among the IOU and PRG/IE.

The table below presents a list of key solicitation milestones and estimated completion dates. Unless otherwise noted, all milestone dates as of this Report were met or are on schedule.

Milestones	Completion Date	Duration
RFA		
RFA Released	February 12, 2020	13 weeks
Optional Bidder Webinar	February 19, 2020	
Questions Due from Bidders	February 26, 2020	
Responses Provided by SoCalGas	March 4, 2020	
Bidder Abstracts Due	March 25, 2020	
Stage One Abstract Review Period Ends	April 10, 2020	
Calibration Meetings Held	April 16–17, 2020	
Shortlist Meetings Held	April 23, 2020	
Shortlist Presented to PRG	May 2020	
Bidder Notifications	May 15, 2020	
RFP		
RFP Released	August 21, 2020	15 weeks
Optional Bidder Webinar	August 28, 2020	
Questions Due from Bidders – Round 1	September 4, 2020	
Responses Provided by SoCalGas – Round 1	September 14, 2020	
Questions Due from Bidders – Round 2	September 17, 2020	
Responses Provided by SoCalGas – Round 2	September 22, 2020	
Bidder's Proposal Due in PowerAdvocate	October 2, 2020	
Calibration Meetings Held	November 2020	
Shortlist Meetings Held	November 2020	
Shortlist Presented to PRG	December 2020	
Contracting & Implementation		
Selected Bidder(s) Notified	December 7, 2020	28 weeks

²² Decision 12-05-015, p. 270: "The Emerging Technologies Program is well suited to take on a leadership role to bring all market actors together in order to increase coordination and to leverage the R&D opportunities, funds, and collaborative prospects."

²³ Joint IOU Program Solicitation Schedule, dated December 2018. Subsequently, the IOUs updated the Joint IOU Program Solicitation Schedule to reflect changes to other solicitations. Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at caeccc.org.

Milestones	Completion Date	Duration
Contracts Presented to PRG	Quarter 2 2021	
Contract Executed	June 24, 2021	
Advice Letter Filed	July 23, 2021	4 weeks
Advice Letter Approved	August 24, 2021	
Contract Begins (Notice to Proceed)	August 25, 2021	60 days
Implementation Plan Uploaded to CEDARS	October 25, 2021	
Program Launch *	Quarter 3 2021	
* - estimated		

1.3. Key Observations

Overall, we find that the solicitation successfully procured a program that can identify, screen, assess, demonstrate, showcase, and pilot underutilized, commercially available gas EE emerging technologies products and services for inclusion in the IOUs' EE program portfolios. SoCalGas' conduct and management of the EE program solicitation were fair, equitable, and transparent.

The IOU conducted the solicitation consistent with the CPUC's guidance. As presented in SoCalGas' Solicitation Plan, the IOU made its final selection after assessing the bidders' proposals. The IOU did not conduct competitive contract negotiations.

SoCalGas allowed the IE to monitor all aspects of the solicitation from developing the initial RFA materials through the contract negotiations. Throughout the solicitation, the IE provided feedback to the IOU on various activities such as RFA and RFP development, bidder instructions, scorecards, and bidder questions and answers. SoCalGas was responsive to the IE's feedback.

Table 1.2 presents key observations made by the IE during the solicitation. The IE shared these key recommendations and others with the IOU and the PRG throughout the solicitation. The IOU was provided an opportunity to review, consider, and accept, or reject these recommendations. The IOU responses are also included below.

Topics	Key Observations	IE Recommendations	Outcomes
Negotiations and Contracting			
Multi-Year Projects	The Statewide ET program has historically maintained several multi-year projects, which can continue much longer beyond the three-year cycle. The Contract is silent regarding the closeout of multi-year projects that extend beyond the Contract cycle.	The Contract should address the potential for projects extending past the three-year contract term. Alternatively, in a future change order, parties should agree on how to support such projects that extend beyond the contract term.	IOU will address in the future if projects extend beyond the three-year contract term.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Annual Carryover of Committed Funds	The Contract does not address the carryover of financial commitments from year to year within and beyond the Contract period. It also does not define what it is considered a program financial commitment.	It is important to define financial commitments as part of the program Contract, or the program's Implementation Plan, especially given the nature and long-term potential of the ET work. The CPUC has established policies that provide adequate direction to the IOUs to address such funding commitment policies in the Contract or the Implementation Plan.	SoCalGas considers such funding policies to be set by the CPUC in the annual budget filing, and it would be misleading to ICF to do so in the Contract.
Coordination Among Gas and Electric Statewide ET Program Implementers	There will likely be opportunities for the new statewide ET program implementers to coordinate assessments of gas and electric emerging technologies. Also, there may be opportunities to share and create effective practices among these implementers at the onset and during program delivery.	To take advantage of potential opportunities among gas and electric ET implementers, these implementers should be encouraged to coordinate ET project planning closely and, if applicable, project delivery.	The Contract encourages coordination among the two statewide programs. ²⁴
Program Implementer Coordination with New Market Transformation Administrator	The ET program activities and outcomes may likely be linked to upcoming market transformation activities.	The statewide ET implementers should work collaboratively, continuously, and directly with the new market transformation administrator on future market transformation initiatives.	The Contract encourages coordination with the upcoming market transformation activities. ²⁵

During the solicitation, the IE observed emerging effective practices by the IOU that made the process more effective, efficient, and transparent. The IE recommends that the IOU continue these practices, as presented below, and share them with other IOUs for their consideration and potential adoption.

²⁴ Schedule B, Section 4.2.7, p. 62.

²⁵ Schedule B, Section 4.2.5, pp. 61-62.

Table 1.3: Emerging Best Practices	
Emerging Best Practice	IE Analysis
Evaluation Team Check-in Meetings	SoCalGas' evaluation team met weekly to check on the evaluators' progress with their reviews. These check-in meetings encourage evaluators to conduct scoring at a reasonable cadence throughout the review period. These meetings also provided an opportunity for evaluators to ask clarifying questions on the proper application of scoring criteria as they conduct their evaluations.
Screening for Program Design Eligibility	The IOU's program lead confirmed the proposals were consistent with the solicitation scope before team evaluations. The program eligibility review ensures abstracts meet the prescribed scope of work. The initial confirmation is an effective practice. It prevents the evaluation team from expending time and effort to score an abstract that does not conform to the prescribed scope of work.
Collaborative Contract Negotiations	The IOU's collaborative approach to all aspects of contract negotiations, including program delivery, terms and conditions, and, especially, compensation, led to more productive discussions among parties, resulting in a balanced contract.
DBE Promotion During Contract Negotiations	As a standard practice during contract negotiations, SoCalGas encourages bidders to look for ways to increase its DBE spend goals. SoCalGas also conveys its willingness to aid the implementer by providing a list of DBE-qualified businesses that offer general services that may support the program.
Contract Tracker Tool	SoCalGas employed a Contract Tracker tool that recorded parties' proposed changes and responses to the draft Contract throughout negotiations. The tool helped parties efficiently track proposed changes and record discrete agreements.

2. RFA Bidder Response and Selection

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

3. RFP Bidder Response and Selections

This solicitation activity was reported in the April 2020 through September 2020 Semi-Annual Report.

4. Contracting Process

SoCalGas held contract negotiations solely with ICF regarding its Statewide GET Program. [REDACTED] was put on notice that if contract negotiations failed with the winning bid that they may be called into contract negotiations. This never happened since SoCalGas and ICF agreed to a final contract.

4.1. Contract Negotiations

After the initial Contract meeting in December 2020, SoCalGas held weekly meetings with ICF from January 2021 through April 2021 to discuss various aspects of the Contract with a special emphasis on program design and delivery as this was the first time the statewide program would be delivered by a third-party provider. Scheduling weekly meetings in advance helped both parties maintain a good pace throughout contract negotiations as it required both parties to respond timely to emerging issues. SoCalGas also employed a Contract Tracker tool which recorded parties' proposed changes and responses to the draft Contract throughout negotiations. The tool helped parties efficiently track proposed changes and record agreements. The tool should be considered an

effective practice.

a. Collaboration on Final Program Design and Scope

In Decision 16-08-019, the CPUC allows the IOU and the selected bidder, after program selection, to collaborate on the ultimate program design implemented by the third party.²⁶ This enables the IOU to share its understanding of its customers and prior program implementation experience with the selected bidder to optimize the program offering. This collaboration is also the time for the bidder to share greater levels of program details and to address any concerns that the IOU may have regarding the program design and delivery. The Statewide ET Program was initially developed by IOU staff and delivered by IOU engineering staff for several decades in California. The IOU staff has a profound understanding of the challenges and opportunities throughout the program’s end-to-end process. This was valuable in helping ICF refine its program delivery approach during negotiations.

The IOU and the bidder discussed the various program and contract elements, including sector metrics, workpaper development, compensation approach, standard project milestones, preexisting ET projects, IOU support services, technical advisory group, the new statewide ET portal, technology transfer, project dissemination, and DBE spend goals. The table below provides a summary of key negotiated items.

Table 4.1: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
CPUC-Approved ET Sector Metric Achievement	SoCalGas conveyed its expectation that the Program must directly achieve, or support the reporting of, the CPUC-approved emerging technologies sector metrics. Unlike other programs, the Statewide ET Program is the only program within the CPUC’s defined ET sector. As a result, the Program’s activities and the program administrator’s oversight are solely responsible for achieving the ET sector metrics. As presented in the final Contract, both parties have agreed to incorporate many of these sector metrics as key performance indicators (KPIs). ²⁷ Also, the Program will support the reporting of achievements of the remaining sector metrics. ²⁸
Workpaper Development	SoCalGas set expectations with ICF that workpapers (aka, measure packages) need not be part of every technology assessment. The IOU indicated that the individual ET project plans would identify whether workpaper development or support will be a prescribed task. Both parties agreed to this approach in the development of all ET project plans, including ET Focused Pilots (ETFP). ²⁹

²⁶ Conclusion of Law 57.

²⁷ Attachment 8, Table 3, pp. 91-94.

²⁸ Attachment 1, Section 3.3., pp. 73-74.

²⁹ Schedule B, Section 3.2, p. 51.

Table 4.1: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
Compensation	
Standard Project Tasks	SoCalGas and ICF agreed to a standard set of project tasks (or milestones) applied to all ET projects regardless of their size or complexity. ³¹ This standard approach allows parties to set consistent tracking and reporting structures. Also, it serves as a foundation for much of the implementer’s compensation.
Management of Preexisting ET Projects	The IOUs have been implementing the Statewide ET program since its inception in 2002. The program tends to have multi-year ET projects that may extend beyond the funding cycle. The Contract is silent regarding a transition plan for previous statewide ET multi-year projects. SoCalGas indicated that such projects are financially committed to other vendors, and work would continue under those vendors and managed by the IOU until completed. It is likely the other funding IOUs will take the same approach. Also, in its bid, ICF did not propose to transfer preexisting activities into their new program. The approach to have the IOUs continue to manage these preexisting projects is reasonable and also recognizes the multi-year nature of the statewide ET program.
IOU Support Services	Parties discussed whether there was a need to have IOU support services both basic and enhanced. Both parties agreed that the implementer would require a minimal level of support services based on the limited engagement with the customers. Per the Contract, basic IOU support services (e.g., marketing support, account management support, etc.) would be available to ICF as needed. ³² Enhanced support services were considered but deemed unnecessary by both parties.
Technical Advisory Group	In its bid, ICF proposed to form a Technical Advisory Group (TAG) consisting of program representatives, industry associations, and technology subject matter experts to provide broad-level market and technology perspectives. The TAG would help ICF define customer/market needs, identify technologies that meet those needs and provide specific information to help guide research efforts. [REDACTED]

³⁰ Schedule C.

³¹ Schedule B, Section 3.2, p. 49.

³² Attachment 2, pp. 78-81.

Table 4.1: Key Contract Negotiation Topics	
Topic	Discussion and Agreement
Statewide ET Portal	Much discussion occurred among parties regarding the newly IOU-developed and managed Statewide Emerging Technologies Coordinating Council (ETCC) web portal. SoCalGas shared the capabilities of the new portal with ICF. SoCalGas clarified that both the electric and gas IOUs intend to monitor discrete ET projects through this portal. The IOU-managed portal will also serve as a public repository of past ET project outcomes. The ETCC portal will not be supported by ICF, so there is no funding for this activity in the Contract budget. ICF agreed and proposed to work with the IOU to enable the transfer of any necessary program data from ICF’s internal tracking system to the IOUs’ new portal. The portal could be viewed as part of program implementation. Still, with a project management tool to monitor ongoing program activities, parties agreed that it was reasonable to retain under the program administrative role.
Technology Transfer	Parties discussed how ICF would make recommendations for technology transfer or knowledge transfer to targeted audiences. In its bid, ICF proposed to address technology transfer through a new Business Model Canvas technique. [REDACTED]
Project Dissemination	Parties discussed whether and how project results would be shared with the targeted audience. The Contract defines project dissemination as a communication effort to increase knowledge and awareness of emerging technologies and/or ET program activities (e.g., project results/deliverable). Parties agreed to include a discrete plan for disseminating project results as part of each ET project plan. Overall, the Contract recognizes that such outreach performed by ICF may extend across multiple stakeholders (e.g., program implementers, program administrators) and IOU service territories.
DBE Goal	As part of its proposal, ICF initially set a DBE spend goal at ~9% of its Contract spend. During contract negotiations, SoCalGas encouraged ICF to increase the DBE goal if they could. This request to actively promote higher levels of DBE spend in contract negotiations is a standard practice by the IOU, which should be considered an effective practice applied to all contract negotiations. ICF responded by increasing the DBE goal to ~21% by including Resource Innovations (RI), a woman-owned business, as a subcontractor. [REDACTED]

b. Fairness of Negotiations

Overall, the contract negotiations were fair and transparent. The negotiations were well managed by the solicitation lead and actively supported by the IOU’s program manager. SoCalGas and ICF agreed to extend contract negotiations an additional month to address various programmatic issues. Due to the unique complexities associated with the statewide, non-resource program, the IE and the PRG supported the time extension.

³³ Schedule B, Section 4.4.1, pp. 64-65.

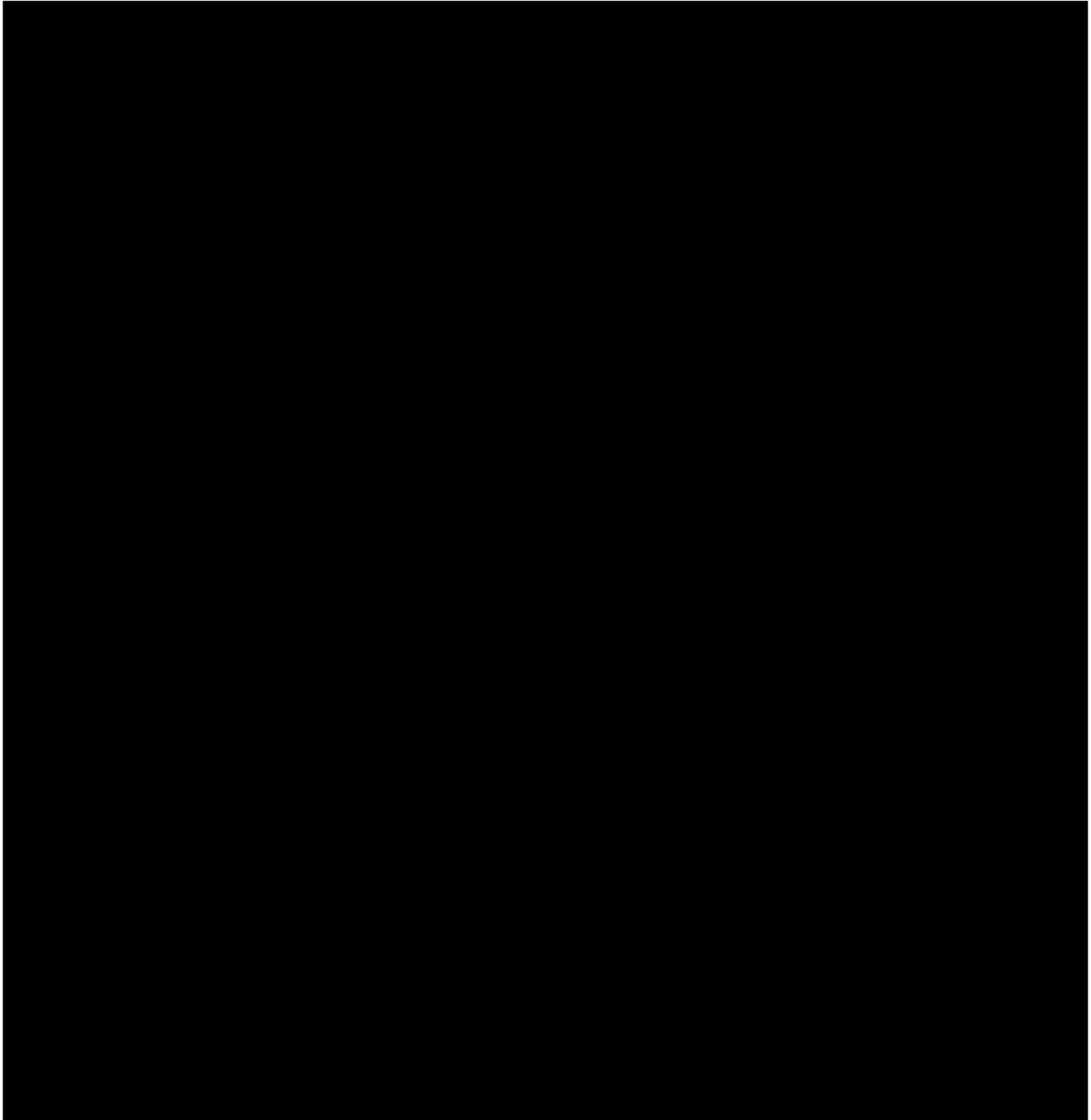


Table 4.2: Proposed vs. Final Agreement		
	Proposed	Contracted
Budget		\$8,880,804
Total No. of Technology Priority Maps (TPM)		2
Total No. of ET Projects		31
Total No. of ETFPs		1
Outreach Events		5

³⁴ ETCC is a collaborative of seven member organizations, each with emerging technology assessment responsibilities within their organization and a common mission to help fulfill California legislative and policy objectives.

c. Changes to Contract Terms & Conditions

To comply with CPUC directives, SoCalGas provided the bidder with both the standard and modifiable CPUC terms and conditions at the start of contract negotiations.³⁵ The IE reviewed all documents and confirmed that the CPUC's terms and conditions are included in the agreement. The IOU proposed a set of additional terms and conditions. These additional terms do not conflict with the CPUC standard terms and conditions because SoCalGas included a different contract term which clarified that the CPUC standard and modifiable terms and conditions take precedence over other potential conflicting terms in the Agreement. The IOU and the bidder agreed to all terms and conditions.

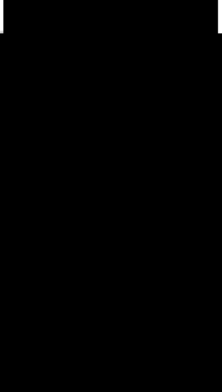
The IE also reviewed the Contract against the PRG's Contract Checklist and found no issues with SoCalGas' contract. The IE reported the results of this review to the PRG at the onset of contract negotiations.

d. Conformance with CPUC Policies and Objectives

The table below summarizes how the program elements align with those CPUC policies and other PRG recommendations that the contracted program should support.

PRG Guidance and Other Considerations	IE Response
IOU should develop a standard contract template with CPUC standard terms, compliant with applicable CPUC policies, decisions, or specific directives, consider PRG and IE feedback. The IOU should not use language/concepts that are inappropriate or typically not used in the EE industry. (PRG Guidance on Contracting, Section 6.1.1)	See Section 4.1.c.
The contract must include all CPUC standard (non-modifiable) contract terms in the contract. (6.1.2)	See Section 4.1.c.
The contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	See Section 4.1.c.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4/5)	See Section 4.1.c.
IE pool reviews standard contract template and provides comments. (6.1.6)	Confirmed. IE pool reviewed contract template.
IOU must present its contracting negotiation process to the IE/PRG for review. (6.2.1)	Confirmed. The IE was informed of the process and approach to the contract.
IEs should monitor all bidder communications during the negotiation process. (6.2.2)	Confirmed. IE was included in all bidder communications and attended all meetings.
IOUs should explain their contracting process to selected bidders. (6.2.3)	Confirmed. The IOU presented the contracting process to the bidder at the initial meeting.
The assigned IE and PRG should review final contracts for each program recommended for an award before contract execution. (6.3.1)	Confirmed. The IE reviewed final contracts.

³⁵ Decision 18-10-004, OP 7.

Table 4.3: Contract Alignment with CPUC Policies and Objectives	
PRG Guidance and Other Considerations	IE Response
The number of KPIs should be reasonable.	Confirmed. 
KPIs make sense in terms of measuring, scale, and timeframe.	Confirmed.
The contract includes appropriate performance issue remedies.	Confirmed. The contract identifies the process to remedy performance issues in Attachment 8, Section 1.2 of the Contract.
The contract addresses Support Services.	Confirmed. Attachment 2 of the Contract presents Support Services offered by the IOUs.
Innovative aspects of the program are retained.	Confirmed. Retains technical advisory group, Six Sigma process, optional workpaper development, focus on internships for disadvantaged workers in DACs, and collaboration with applicable program implementers.
If applicable, Integrated Demand Side Management (IDSMS) components are included.	Not applicable.
If applicable, program considerations for HTR and DAC customers are incorporated.	Confirmed. Section 3.2 describes program plans to consider the needs of HTR and DAC customers as part of the program's technology screening process.
Changes proposed by the IOU and the implementer were reasonable and fair.	Confirmed.

e. Uniformity of Contract Changes

The IOU negotiated only one contract with one bidder.

4.2. Final Selection

Consistent with the IOU's approved Solicitation Plan,³⁶ SoCalGas made its final selection based on

³⁶ Southern California Gas Company's Energy Efficiency Solicitation Plan, Section V.C, Program Solicitation Approach.

the outcome of its evaluation and ranking of all the proposals. ICF's proposal ranked the highest of all bids and, as a result, was invited to contract negotiations. The PRG and the IE supported the decision.

4.3. Contract Execution

The Contract between SoCalGas and ICF was fully executed on June 24, 2021 (see Table 4.4). Upon CPUC approval of the executed contract, the Contract will be effective, and ICF may begin initial program tasks, including developing the program's Implementation Plan.

Bidder	Contract Duration	Program
ICF	36 months	Statewide Gas Emerging Technologies Program

4.4. PRG and IE Feedback to Contracting

The IOU sought and considered PRG and IE feedback throughout the contracting process. As stated previously, SoCalGas' standard contract agreement met each of the prescribed PRG contracting recommendations. The IE actively monitored all contract negotiations. The IOU also met with the IE when needed to discuss emerging contracting issues. Many of these issues are presented in Section 4.1 of this Report.

SoCalGas presented the status of contract negotiations to the PRG at the monthly PRG meeting. The IE also presented a comprehensive list of emerging issues to the PRG at the monthly meetings. Throughout the contract negotiations period, the PRG provided input to SoCalGas on discrete topics as presented in Section 4.1 of this Report. The IOU was responsive to most items. The IOU should share more details with the PRG on specific contracting issues throughout negotiations in future solicitations.

5. Assessment of Final Contract

The final Contract complies with all specific CPUC directives related to third-party contracts, including incorporating all standard CPUC terms and conditions without modification.

The final Contract represents a program that addresses the IOU's stated scope to procure an innovative non-resource program that can: (1) identify natural gas emerging technologies that can deliver cost-effective energy savings; (2) ensure that program administrators and program implementers receive actionable market information to inform program delivery; and (3) help technology manufacturers understand what measures are needed in the IOUs' EE program portfolios.

The final KPIs and the ET project milestone structure allow the IOU to actively monitor key elements of program management and performance, including supporting the achievement of CPUC-adopted ET sector metrics.

The final Contract represents ICF's original program design. The final program should be considered third-party proposed, designed, and delivered consistently with CPUC's definition of a third-party program. Parties agreed to a milestone-based approach which results in active oversight and discrete project approval by the IOU, which could appear to limit ICF's ability to deliver the program. However, given the nature of the non-resource program activities, the oversight seems

reasonable. During the initial program set-up and delivery, the Energy Division should actively monitor the collaboration among the IOU and the implementer during the ET project planning process to confirm roles are maintained among the administrator and implementer.

5.1. Bid Selection Respond to Portfolio Needs

The selected Statewide GET Program, designed by ICF, directly responds to the collective IOUs’ portfolios and customer needs. SoCalGas sought to procure a non-resource program with an innovative design, a cost-efficient implementation, and an approach that would lead to the timely introduction of new EE emerging technologies into the EE program portfolios. Additionally, SoCalGas sought a program implementer to perform several program activities such as technology screening, assessment, and dissemination, as detailed in Section 1.1.b of this Report. ICF’s Statewide GET Program addresses each of these desired outcomes through an innovative offering that relies on a collaborative approach to engaging technical subject matter experts and a technical advisory group of interested stakeholders that provide feedback throughout the program’s end-to-end process.

5.2. Bid Selection Provide the Best Overall Value to Ratepayers

a. Introduction

The Statewide GET Program received the highest overall score in the competitive solicitation. SoCalGas’ selection of ICF’s Statewide GET Program was based on an established scoring rubric. SoCalGas determined that the ICF proposal provided the best overall value to ratepayers and, most importantly, the best opportunity for success. The IE monitored every aspect of the solicitation, including the IOU’s evaluation leading up to SoCalGas’ final decision. Based on this monitoring, the IE agrees with SoCalGas’ decision that ICF’s Statewide GET Program provides the best value to the IOUs’ ratepayers.

b. Program Description

The Statewide GET Program is designed to promptly identify and bring commercially available gas efficiency technologies to the IOUs’ EE program portfolios. The GET Program is structured to support measurable increases in technology adoption by rapidly identifying, screening, and advancing promising natural gas technologies through the ET cycle and into the program portfolios. Achieving higher levels of adoption is crucial for program administrators and implementers to meet energy savings goals cost-effectively. The GET Program relies on a collaboration with targeted markets and technology actors to (1) identify and screen technologies, (2) identify and verify key market barriers to emerging technologies adoption, and (3) develop strategies to overcome such barriers. Program delivery involves three distinct phases, as presented in the table below.

Phases		Activities
Phase 1	Technology Screening	The initial input into the process incorporates information and perspectives from the entire technology value chain (from technology developers/manufacturers to the end-use customer) to ensure a viable marketplace for each technology.
Phase 2	Technology Evaluation	Involves the overall process of managing technology evaluation, including preparing TPMs, screening potential new technologies, and evaluating technologies following the Six Sigma phases of Define, Measure, Analyze, Design, and Verify.

Phases		Activities
Phase 3	Market Readiness	Provides a Dissemination Plan for each proposed and initiated ET project that outlines next steps towards integration into EE programs, including, but not limited to, workpaper development, industry outreach, and communication and program implementer training.

c. Budget and Cost-Efficiency

The Statewide GET Program budget is well within the CPUC cost category targets established for the aggregated third-party program portfolio. Nearly 97 percent of the program budget will support direct implementation activities, as presented in the table below.

Cost Category	2021	2022	2023	2024	Total	% of Total Budget
Administration	\$50,200	\$52,800	\$52,800	\$69,600	\$225,400	2.5%
Marketing	\$16,725	\$16,725	\$16,725	\$16,725	\$66,900	0.8%
Implementation	\$50,000	\$2,007,467	\$4,270,251	\$2,260,786	\$8,588,504	96.7%
Incentive	\$0	\$0	\$0	\$0	\$0	0.0%
Total Budget	\$116,925	\$2,076,992	\$4,339,776	\$2,347,111	\$8,880,804	100%

SoCalGas requires ICF to fully commit each of its annual budgets by the end of each calendar year.³⁷ However, the Contract does not define a program financial commitment nor address carryover of financial commitments from year to year within the contract period. Also, the Contract is silent regarding the closeout of multi-year projects that extend beyond the contract cycle. The IE notes that previous Statewide ET programs have historically maintained several multi-year projects which spanned over and beyond a three-year cycle. It is essential to define financial commitments as part of the program especially given the long-term nature of the ET work. SoCalGas considers such funding policies to be set by the CPUC in the annual budget filing and believes it would be misleading to ICF to do so in the Contract. The IE believes the CPUC has established policies that provide adequate direction to the IOUs to set such program funding commitment definitions in either the Contract or in the program's Implementation Plan. The IE notes that the CPUC EE Policy Manual defines a financial commitment as:

*Committed funds are not considered "unspent funds," and need not be spent during that particular program cycle so long as there is an expectation that the activities will be completed and that the committed funds are spent to complete the activities for which they were committed.*³⁸

At a minimum, approved multi-year ET projects appear to fall under this definition.

d. Expected Program Performance

As a non-resource program, the Statewide GET Program does not have assigned energy savings performance goals. Instead, the program directly supports the achievement of the CPUC-directed

³⁷ Attachment 8, Table 3, p. 92.

³⁸ EE Policy Manual, Version 6.0, Section II.6.

ET sector metrics and targets. As presented below, the program performance goals and targets are directly linked to many of these ET sector metrics. Also, with specific CPUC-directed metrics, the source of the metric inputs (e.g., ETP-T3 - % of new codes or standards that were previously ETP technologies) will not be under the direct control of ICF. In such instances, ICF will support the reporting of these remaining metrics to SoCalGas.³⁹

The CPUC set combined gas and electric ET metrics and targets. In coordination with the electric IOUs, SoCalGas allocated these targets among the gas and electric ET programs based on funding contribution and future ET efforts. The following gas ET targets are assigned to the GET Program as discrete targets, as presented in the table below.

Deliverable	2021	2022	2023	2024	Total
ETP-M1: Number of TPMs initiated, including one technology-focused pilot (TFP) TPM	0	1	1	0	2
ETP-M2: Number of TPMs updated	0	0	1	1	2
ETP-M3: Number of Projects initiated	0	8	14	9	31
ETP-M4: Number of outreach events with technology developers with products <1 year from commercialization, including new technology vendors, manufacturers, and entrepreneurs	0	2	2	1	5
ETP-M5: Number of outreach events with technology developers with products <5 years from commercialization, including new technology vendors, manufacturers, and entrepreneurs	See ETP-M4				
ETP-M6: Number of projects initiated with cooperation from other internal IOU programs associated with each TFP	0	0	1	0	1
ETP-M7 Number of TFPs initiated as part of the TFP TPM	0	1	0	0	1
Annual GET Program Report	0	1	1	1	3
Draft GET Final Program Report	0	0	0	1	1
Final GET Final Program Report	0	0	0	1	1
Assumed Program Launch Date	December 2021				

e. Disadvantaged Communities and Hard-to-Reach Customers

As part of the ET project screening process, the Program will consider ETs to assist HTR customers and DACs. Technology assessments and TPMs will focus on specific needs to increase adoption within DACs and HTR customer groups. Also, the technology evaluation process will include criteria to help HTR and DAC customers realize benefits from the new technologies (e.g., incentive structures such as direct installation to increase customer installation).

f. Disadvantaged Worker Policy

As with the ICF's approach to HTR and DAC, the GET Program's technology evaluation process will include criteria that consider workforce education and training needs. This approach is expected to facilitate the training of disadvantaged workers and create opportunities to increase the employment of disadvantaged workers (e.g., installation and maintenance support of new

³⁹ Attachment 1, Section 3.4, pp.74-75.

technologies).⁴⁰

The GET Program will offer paid internships to community college students that meet the CPUC’s disadvantaged workforce eligibility requirements. Internships will be provided each program year to college students enrolled in an engineering discipline. ICF believes this complements the CPUC’s efforts to promote economic mobility for disadvantaged workers while helping build a clean energy workforce.⁴¹

g. Workforce Standards Policy

The Contract requires the implementer, and its subcontractors, to comply with all applicable CPUC workforce standards as part of program delivery.

h. EM&V

The IOU and implementer must provide a detailed EM&V Plan as part of the final Implementation Plan.⁴² The Contract requires the implementer to provide an Implementation Plan within 60 days of CPUC contract approval.

i. Compensation Structure

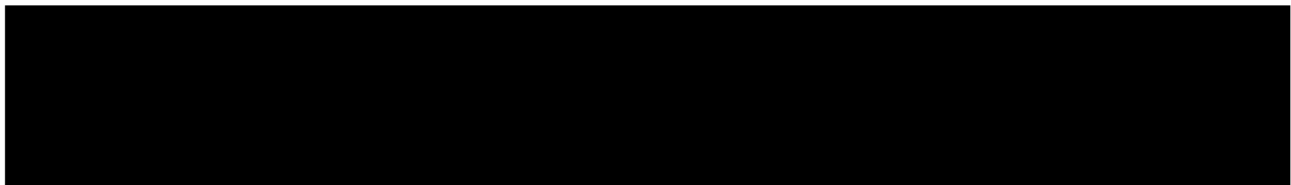
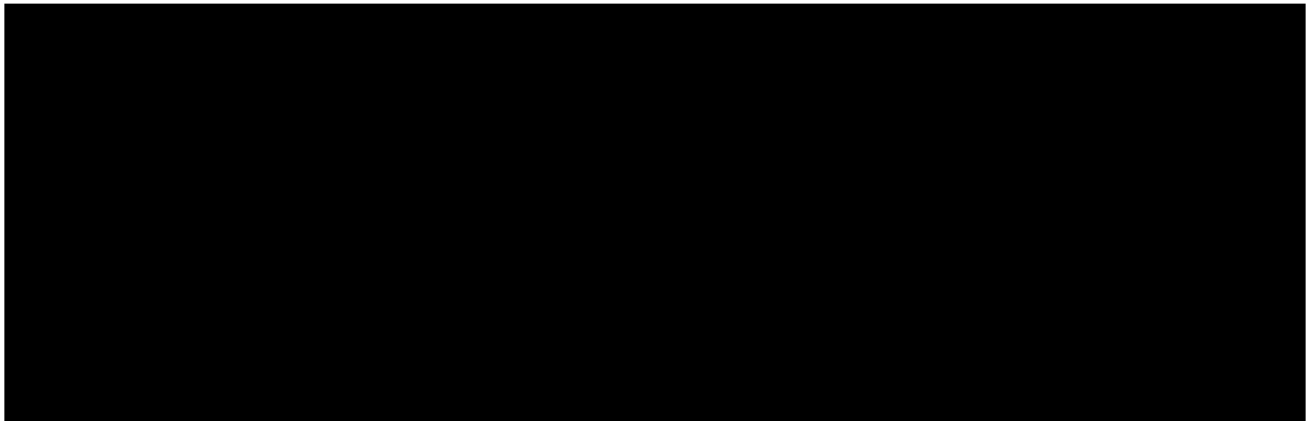


Table 5.4: Compensation Structure – Energy Efficiency Budget	
Compensation Type	% of Contract Value



⁴⁰ Schedule B, Section 3.2, p. 52.

⁴¹ Id.

⁴² Implementation Plan Template, Version 2, p. 9, dated January 2020.

Table 5.5: Project Milestone Payment Schedule		
Project Milestone	Percent Allocation	Payment Trigger/Key Activities Completed
[Redacted Content]		

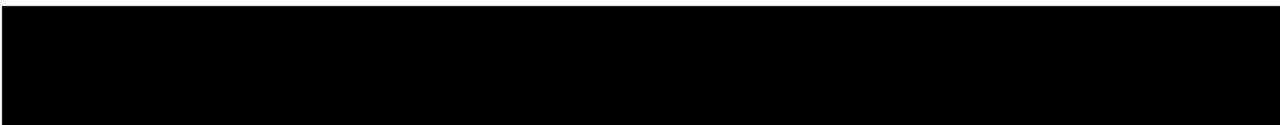


Table 5.6: ET Project Sizes	
Project Size	Activities
[Redacted Content]	

j. Innovation

The Statewide GET Program offers several new, innovative design elements that focus on improving stakeholder collaboration, evaluation processes, technology transfers, disadvantaged worker promotion, and HTR/DAC outreach strategies, as presented in the table below:

Table 5.7: Program Innovations	
New Relationships with Different Stakeholders	To assist with identifying, evaluating, and/or introducing ETs, the program is based around a highly collaborative environment to provide input and guidance throughout the process.
Improved Evaluation Processes	The program’s end-to-end process applies Six Sigma principles that rely on a data-driven strategy for designing processes.
Improved Technology Transfer	Technology transfer uses a Business Model Canvas strategic management tool that identifies a pathway to ensure the successful deployment of new

Table 5.7: Program Innovations	
	technologies by defining items critical for an ET launch including market potential, recommended incentive structure, identification of channel partners, list of key product attributes including non-energy benefits, and recommended marketing/outreach strategies.
Disadvantaged Workforce Development	The program will offer internships to college students that meet the CPUC’s disadvantaged workforce requirements defined in Decision 18-10-008.
Disadvantaged Communities and Hard-to-Reach Customers	The program will filter potential technologies with a lens toward the needs of DACs and HTR customers.

6. Overall Assessment of Solicitation

SoCalGas’ conduct and management of the Statewide GET Program solicitation were fair, equitable, and transparent. As required, the IE reviewed and monitored the IOU’s solicitation process, valuation methodologies, selection processes, and contracting to confirm that a fair, unbiased, and transparent competitive process was conducted that was devoid of market collusion or manipulation.

The selected Statewide GET Program will be replacing three long-standing, IOU-implemented gas emerging technologies programs developed initially over three decades ago. These prior programs typically relied on a network of vendors directed by the IOU to support key program activities (e.g., assessment). The new GET Program will depend on one third-party implementer to deliver all aspects of the newly created program. The Program is designed to achieve measurable increases in technology adoption by rapidly identifying, screening, and advancing promising natural gas technologies through the ET cycle and into the program portfolios. ICF, the implementer, will deliver new innovative strategies designed to gather stakeholder input/ support in assessing and disseminating these new emerging technologies.

The Contract identifies annual budgets over a 36-month period. The potential of carrying over unspent funds from year to year will be addressed as part of the IOUs’ annual budget planning process. The Contract does not define a program financial commitment. Defining these commitments is key to identifying whether unspent/committed funds can be carried over from year to year within (and beyond) the Contract period. To avoid potential misunderstandings among the implementer and the administrator, the program’s Implementation Plan should specifically define the program’s financial commitments.

The collective IOUs are planning to maintain a revised ET online portal to monitor gas and electric ET projects delivered by the new ET program implementers. The portal will also continue to be the repository for previous ET projects. Given the long-term nature of ET project activities that may extend beyond any implementer’s contract term, it is reasonable to have the IOUs maintain a

[REDACTED]

[REDACTED]

The collaboration among the implementer and the IOUs may create a good balance between IOU program administration and third-party program implementation. In contrast, this new IOU-implementer partnership should avoid the IOU-vendor relationship of past statewide

ET programs. The Energy Division, which is tasked with active oversight of all statewide program activities, should closely monitor the ET project planning and implementation activities during the initial program delivery phase. The Energy Division should confirm that the collaboration between the IOU and the implementer is balanced and allows the implementer the flexibility to deliver its program and achieve its goals.

There will likely be opportunities for the new statewide ET program implementers to coordinate assessments of gas and electric emerging technologies. Also, there may be opportunities to share and create effective practices among these implementers at the onset and during program delivery. To take advantage of such potential opportunities, both the gas and electric program implementers should be encouraged to coordinate ET project planning closely and, if applicable, project delivery. For example, common approaches to dissemination should be created for the benefit of other program implementers in the IOU program portfolios. Finally, the statewide ET implementers should work collaboratively, continuously, and directly with the new market transformation administrator on future market transformation initiatives.

7. Implementation Plan Assessment

This solicitation activity has not yet occurred; future Semi-Annual Reports will address this topic.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

LOCAL LARGE COMMERCIAL PROGRAM

Reporting Period: April 2021 through September 2021

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Local Large Commercial Program

The final IE assessment of SoCalGas' Local Large Commercial program solicitation can be found in the Energy Efficiency Independent Evaluators' Semi-Annual Reports, dated June 2021. The following is an evaluation by the IE on the draft Implementation Plans associated with the contracted programs selected in this solicitation.

7. Implementation Plan Assessment

The IE reviewed the draft Implementation Plans corresponding to the approved third-party Program Implementer Contracts listed in the table below. The IE review was limited to confirming whether the draft Implementation Plan, produced by the implementer, was consistent with the corresponding approved Contract. The IE review did not address whether the draft Implementation Plans were compliant with the CPUC's Implementation Plan requirements.⁴³

Program Implementer	Program Name	Contract Approval Date	Public Stakeholder Meeting Date	Implementation Plan Posting Date	Did Implementation Plan post within 60 days of Contract Approval?
Enovity, Inc.	Service RCx+ Large Commercial	12/23/2020	7/27/2021	8/3/2021	Yes
Willdan Energy Solutions, LLC	Large Commercial Program	12/17/2020	7/27/2021	8/3/2021	Yes

7.1. Results of the Draft Implementation Plan Review

The following tables identify topics where the draft Implementation Plans conformed to the approved Contracts. Before the posting date, the IE did not receive a final Implementation Plan from SoCalGas to confirm whether the IE comments were addressed. To improve the Implementation Plan review process, the IE recommends that the IOU create a timely opportunity for the IE to review the final Implementation Plan before the Implementation Plan upload so the IE can confirm whether the IOU responded to the IE recommendations and any remaining issues be addressed in a timely manner.

Large Commercial: Enovity Contract		
Topic	Consistent? (Yes/No)	IE Notes
Program Overview	Yes	
Program Summary (incl. budget, impacts, cost-effectiveness, sector, etc.)	Yes	
Program Delivery (incl. program offerings, target market)	Yes	
Program Design (incl. strategies, tools, methods, innovation, IDSM, program logic model, etc.)	Yes	

⁴³ Implementation Plan Template, Version 2.0, dated January 2020.

Table 1.2: Draft Implementation Plan Consistency with Contract		
Large Commercial: Enovity Contract		
Topic	Consistent? (Yes/No)	IE Notes
Compliance (workforce standards, disadvantaged workers, etc.)	Yes	
Metrics	Yes	
Program Rules (incl. customer eligibility, contractor eligibility, eligible measures, QA/QC plan, etc.)	Partial	Does not include QA Plan
Program Logic Model	Yes	
Incentive Levels & Workpapers	Yes	
Workshop	Yes	

Table 1.3: Draft Implementation Plan Consistency with Contract		
Large Commercial: Willdan Contract		
Topic	Consistent? (Yes/No)	IE Notes
Program Overview	Yes	
Program Summary (incl. budget, impacts, cost-effectiveness, sector, etc.)	No	The budget, impacts, and cost-effectiveness forecast information was not provided in the draft Implementation Plan by the IOU. The IOU indicated that such information would be uploaded to CEDARS independent from the final Implementation Plan. The IE asked that such information be included in the Implementation Plan per the Implementation Plan Template requirements. This will allow the IOU to track and report ongoing changes to these data points throughout program implementation. The IE also asked that the Implementation Plan include a forecasted TSB by year to recognize upcoming changes to the IOU's EE goals.
Program Delivery (incl. program offerings, target market)	Yes, with comment	Generally consistent with Contract. Specific Program strategies and tactics are presented differently (e.g., DIY, financing assistance, full-service single-point of contact descriptions.).
Program Design (incl. strategies, tools, methods, innovation, IDSM, PLM, etc.)	Yes	The Implementation Plan should describe the IDSM activities in more detail.
Compliance (Workforce standards, disadvantaged workers, etc.)	Yes	Implementer will self-fund activities to create partnerships with entities that do job training and placement.
Metrics	Yes	
Program Rules (incl. customer eligibility, contractor eligibility, eligible measures, QA/QC plan, etc.)	Yes	
Program Logic Model	Yes	

Table 1.3: Draft Implementation Plan Consistency with Contract		
Large Commercial: Willdan Contract		
Topic	Consistent? (Yes/No)	IE Notes
Incentive Levels & Workpapers	Yes	
Workshop	Yes	Workshop held on July 27, 2021.

7.2. Public Workshop Overview Summary

SoCalGas held public workshops for these two large commercial sector programs on the dates listed in Table 1.1. SoCalGas allowed Enovity and Willdan to give detailed presentations of their respective programs.

The Implementation Plan workshop is the only reveal of the new program to the general public. As part of bidder debriefings, the IOU should invite the unsuccessful bidders to these public workshops. It would allow unsuccessful bidders to review the winning program and may help them improve their future program proposals.

The IOU should also invite other contracted third-party program implementers to offer programs to the same customer groups. This would create greater awareness among program implementers of the different programs offered in the IOU's portfolio. Also, this may enable other program implementers to refer potential customers to other programs within the portfolio.

Energy Efficiency Independent Evaluator's Semi-Annual
Report on the

LOCAL AGRICULTURAL PROGRAM

Reporting Period: April 2021 through September 2021

Prepared by:
MCR Corporate Services



Disclaimer: This report includes sensitive and confidential information.

Local Agricultural Program

1. Solicitation Overview

1.1. Overview

This report covers the second of SoCalGas' two Agricultural (Ag) solicitations. The first solicitation was focused on small and medium agricultural customers, which SoCalGas defines as customers whose maximum annual demand is less than or equal to 50,000 therms.⁴⁴ It was publicly launched on January 14, 2019, with responses due February 25, 2019. However, response to the solicitation was poor. SoCalGas received only [REDACTED], one of which was screened out due to being incomplete, leaving [REDACTED] to be scored. Scores for [REDACTED] were so weak that SoCalGas cancelled the solicitation with the intent of releasing an over-arching solicitation for the Ag segment at a later date.

a. Scope

This second solicitation, launched in mid-2019, welcomed abstracts from qualified bidders to propose, design, implement, and deliver an innovative, resource-based program(s) that provides comprehensive, long-term natural gas EE results for existing agricultural customers (with no customer size restriction).

Agricultural customers are defined by energy consumption and by customer size.⁴⁵ The total agricultural sector usage represents approximately 2% of the total SoCalGas usage and less than 4% of the total nonresidential customer load. Agricultural customers operate within a diverse set of segments throughout the service territory.

This solicitation encourages the exploration of all relevant delivery channels and program strategies, such as direct install and incentives, to produce a cost-effective program to maximize natural gas efficiency savings for the agriculture customer market. SoCalGas prefers program offerings that include all Agricultural customers with a tailored approach for the very small, small, and medium customers. SoCalGas also encourages program designs that are coordinated with other electric and/or water efficiency programs offered by other entities and requires adherence to the CPUC decision on workforce standards,⁴⁶ where applicable.

Each response to this solicitation must propose a natural gas-focused resource Program.⁴⁷ In addition, Bidders may propose optional programs that include technology solutions that save water and/or electricity. Although SoCalGas is striving to develop agreements with electric and water utilities, these agreements are not yet in place for this program and thus implementation of a gas/electric, gas/water, or gas/electric/water program may not be possible. If the Bidder has an existing relevant agreement with an electric and/or water service provider that the Bidder proposes to incorporate as part of the proposed Program, the Bidder shall provide proof of the agreement. Evidence of such agreements can improve a Bidder's chances of being selected for Stage Two. Abstracts must clearly distinguish between gas, electric and water elements (unless a single

⁴⁴ SoCalGas 2018-2025 Energy Efficiency Business Plan, January 17, 2017, (Table 7 – Energy Consumption by Customer Size), at p. 120.

⁴⁵ Id., at p. 120.

⁴⁶ D.18-10-008 OP 1, at pp. 76-77.

⁴⁷ RFA 101409 – Agricultural Request for Abstract, Southern California Gas Company (SoCalGas RFA), February 21, 2020, at p. 13.

technology covers gas and another resource) so that SoCalGas can evaluate based on the gas-centric components.

Innovation is an important aspect of the Ag RFA. Bidders must describe how their program is innovative whether through marketing, delivery methods, incentive design, the targeting of certain customer and market segments, and/or application of best practices that are used to achieve reliable energy savings. For the purposes of this solicitation, SoCalGas and key stakeholders have agreed that to be “innovative,” the proposal must demonstrate that the program will ultimately increase the uptake of cost-effective EE by advancing a technology, marketing strategy, or delivery approach in a manner different from previous efforts.⁴⁸

b. Objectives

This RFA aims to solicit innovative, primarily resource-based program ideas to address various segment barriers and drivers identified in SoCalGas’ business plan and targets all Agricultural customers. The selected bidder will assist SoCalGas in the achievement of various portfolio and sector metrics,⁴⁹ through comprehensive tactics which may include but are not limited to:

- Providing simple / low-cost EE retrofits;
- Requiring customer co-pays for comprehensive / higher cost EE retrofits;
- Leveraging available financing options to fund project co-pays (e.g., On-Bill Financing etc.);
- Partnering with local contractors and vendors; and/or
- Partnering with local small business organizations and community-based organizations.

Interested bidders may submit abstracts that address all, or a subset of, agricultural sector customers in SoCalGas’ service territory. Abstracts should include the flexibility to target specific customers based on criteria such as, but not limited to, specific climate zones, customer site-specific energy savings potential, business size, distribution system needs, HTR status, and members of DACs.

Bidders should consider the following agricultural sector challenges:

- Considerable number of small agricultural customers lack technical and financial resources.
- The agriculture sector has competing priorities which overshadow energy efficient investment opportunities.
- A diverse agricultural sector base makes it difficult to offer standard programs that fit the needs of all customers within and among segments

1.2. Timing

Table 1.1 details the milestones for the SoCalGas Agricultural solicitation.

⁴⁸ Id., at pp. 16-17.

⁴⁹ SoCalGas’ Portfolio and Sector-Level Metrics Compliance Filing, at p. 86-88.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA Stage		
Solicitation Launch	February 21, 2020	11 weeks
Bidder Conference	March 3, 2020	
Offer Submittal Deadline	April 3, 2020	
RFA Shortlist to PRG	June 2, 2020	
Shortlisting Notification	June 8, 2020	
RFP Stage		
Solicitation Launch	June 12, 2020	17 weeks
Bidder Conference	June 23, 2020	
Offer Submittal Q&A Period	Round 1 through June 26, 2020 Round 2 through July 8, 2020	
Offer Submittal Deadline	July 24, 2020	
Cure Period	N/A	
RFP Shortlist to PRG	October 6, 2020	
Shortlisting Notification	October 13, 2020	
Contracting Stage		
Contracting and Negotiations Period	October 21–December 10, 2020	7 weeks
Contracts Presented to PRG	December 1, 2020	
Contract Execution	December 14, 2020	

1.3. Key Observations

Key Observations for SoCalGas' Ag solicitation were reported in all prior Semi-Annual Reports.

2. RFA Bidder Response and Selections

Development activities for SoCalGas' Ag RFA were reported in the November 2019 through March 2020 Semi-Annual Report.

3. RFP Bidder Response and Selections

Development activities for SoCalGas' Ag RFP were reported in the April 2020 through October 2020 Semi-Annual Report.

4. Contracting Process

Contract negotiations between SoCalGas and its selected implementer, ICF, was reported in the October 2020 through March 2021 Semi-Annual Report.

5. Assessment of Final Contract

Bid selections responding to portfolio needs were included in the October 2020 through March 2021 Semi-Annual Report.

6. Overall Assessment of Solicitation

An overall assessment of SoCalGas' Ag solicitation was provided in the October 2020 through March 2021 Semi-Annual Report.

7. Implementation Plan Assessment

The IE reviewed the Implementation Plan (Plan) for ICF's *AgEE* Program and its constituent manuals and supporting documents and provided comments for ICF through SoCalGas. The IE's comments were primarily editorial in nature, most frequently requests to make the document easier

to read and navigate. The IE also recommended that ICF expand upon the innovations listed in the Plan and define what measures constituted the BRO (Behavior, Retro-commissioning, and Operational) measures. Nearly all of the IE's recommendations were accepted and implemented by ICF.

The IE found that ICF's Plan followed the required template (Ver 2.0, January 2020, Appendix A) and that the Plan included all the required Program information (Program Overview, Budget and Savings, Narrative, and Supporting Documents and Program Manuals) and, most importantly, did not vary from the executed contract (except for changes to some measures, as noted above). SoCalGas subsequently posted the draft Plan to the CAEECC website on May 17, 2021.

As required by Section 6.5.5 of the PRG Solicitation Guidelines (Ver 1, August 2020), SoCalGas hosted the presentation of the draft *AgEE* Program Implementation Plan to the public on June 1, 2021, via Microsoft Teams. The presentation was made by representatives of program implementer ICF. The public webinar lasted one-half hour. ICF's presentation followed the Plan and was presented clearly and concisely. There were no questions from the 29 attendees.

SoCalGas posted the final *AgEE* Plan to CEDARS on June 8, 2021, once the IE had reviewed the final Plan and its appendices to determine which comments/recommendations ICF had accepted.

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

LOCAL BEHAVIORAL PROGRAM

Reporting Period: April 2021 through September 2021

Prepared by:
Apex Analytics, LLC



Disclaimer: This report includes sensitive and confidential information.

Local Behavioral Program

1. Solicitation Overview

This Report covers the activities associated with the Behavioral Program solicitation for the period of April 2021 through October 2021. During this period, SoCalGas completed negotiations with two winning bidders in the residential solicitation, held meetings with the commercial winning bidder until that bidder withdrew from negotiations, and then initiated meetings with the second-place commercial bidder. The IE monitored the negotiations and reviewed and commented on the final contract.

1.1. Overview

The objective of this solicitation is for the EE industry to collaborate with SoCalGas in offering an innovative and cost-efficient program for continuing and expanding the existing Residential Behavioral Program and developing a cost-effective Commercial Behavioral Program.

a. Scope

This solicitation targeted both residential and commercial customers for cost-effective Behavioral Programs that meet the CPUC definition of Behavioral Programs: (1) must employ comparative energy usage and disclosure, (2) must be measured ex post, and (3) must utilize an experimental design (Random Control Trial, or RCT). The solicitation scope outlined these CPUC requirements, but also encouraged innovation to drive cost-effective therm savings. This solicitation encouraged the exploration of all relevant delivery channels and program strategies to produce a cost-effective program to maximize natural gas efficiency savings. Program RFA abstracts were requested to address residential and/or commercial sectors for a natural gas-focused resource program and invited bidders to submit proposals for one or both of the RFP solicitations.

b. Objectives

The solicitation is based on the goals identified in SoCalGas' approved business plan⁵⁰; the solicitation is designed to promote behavioral-related EE solutions through intelligent outreach, expanding to more customers and using innovative approaches to increase therm savings over historical programs.

1.2. Timing

The Behavioral solicitation negotiations took longer than originally planned, which anticipated negotiations occurring over a three-month period and being complete by the end of July. While the contract with the Bidgely residential bidder was complete on July 30, the contract negotiations with Oracle America, Inc. (Oracle) did not conclude until September 2.

The RFA and RFP processes followed the planned schedule as the Behavioral RFA was released in August 2020 and the RFP was released in January 2021 with an anticipated program launch in the fourth quarter of 2021. RFA screening, scoring, and calibrating all occurred in October 2020 with a RFA Shortlist released on October 28, 2021. The RFP development took place in December 2020 and January 2021 with the RFP launch

⁵⁰ https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF

mid-January and the proposal selection at the end of March 2021. The detailed timing of the Behavior Program solicitation is outlined in the table below including the updated timing for negotiations. Table 1.1 outlines key milestones for this solicitation.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA		
RFA Released	August 21, 2020	10 weeks
Optional Bidder Web Conference	September 2, 2020	
Questions Due from Bidders	September 9, 2020	
Responses Provided by Company	September 16, 2020	
Bidder Abstracts Due	September 25, 2020	
RFA Scoring	October 26, 2020	
RFA Calibration Meetings	October 23 and 24, 2020	
RFA Shortlist Meeting	October 28, 2020	
RFP		
RFP Development	December 4, 2020–January 13, 2021	17 weeks
RFP Launch	January 15, 2021	
Bidders Conference	January 20, 26, and 27, 2021	
Bidder Q&A	February 5, 2021	
Residential RFP Scoring	March 17 and 18, 2021	
CET Feedback to Bidders	March 4 and 12, 2021	
Commercial RFP Scoring	March 23, 2021	
Proposal Selection	March 29 and 31, 2021	
Contracting and Implementation		
Residential Negotiation and Contracting	May 4, 2021–September 2, 2021	pending
Commercial Negotiation and Contracting	October 8, 2021–TBD	
Anticipated Program Launch	Q4 2021–Q1 2022	

1.3. Key Observations

The contract negotiations for both residential and commercial behavioral programs were challenging since the contract template was designed for a typical incentive/measure installation program rather than the unique design of a behavior program that relies on mailed or emailed reports and analysis. Further, SoCalGas asked [REDACTED] bidders to make significant changes to the programs compared to what was proposed (Oracle and Bidgely to accommodate splitting the program [REDACTED]). To a varying extent, [REDACTED] bidders asked to modify or eliminate some of the existing legal terms and conditions that are difficult to apply to behavior or balance the risk between SoCalGas and the bidder. While the SoCalGas solicitation team effectively managed the negotiation process, the IE found that the SoCalGas legal team initially resisted requests to meet directly for negotiations on terms and conditions which contributed to contracting delays. Table 1.2 outlines key issues and observations during this period.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Contracting Stage			
Contract Template	The contract template implies a traditional program of incentives and installations rather than a software-as-a-service program. This program has no on-site work, no direct contact with customers, and no materials. It also relies on proprietary software from the contractor. Many of these types of terms and conditions are still in the contract, as SoCalGas was unwilling to make major changes to the terms and conditions.	SoCalGas should conduct a detailed review and modification of the template to modify for non-traditional programs prior to the Outreach contracting process (which is similarly non-traditional) to facilitate a smoother process.	SoCalGas intends to review contracts prior to beginning negotiations for the Outreach program.
Risk Shifting to Bidders	[REDACTED]		
Contract Negotiations Timeline	The SoCalGas legal team did not actively engage in the negotiations until after repeated requests by Oracle and nearly three months after negotiations began.	The IE recommends that the SoCalGas legal team be more actively involved in contract negotiation from the beginning.	New recommendation.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Consistency Among Bidders	[REDACTED]	[REDACTED]	New recommendation.

2. RFA Bidder Response and Selections

This solicitation activity was reported in the October 2020 through March 2021 Semi-Annual Report.

3. RFP Bidder Response and Selections

This solicitation activity was reported in the October 2020 through March 2021 Semi-Annual Report.

4. Contracting Process

4.1. Contract Negotiations

Contract negotiations for both residential and commercial behavioral programs were challenging, since the contract template was designed for a typical incentive/measure installation program rather than the unique design of a behavior program that relies on mailed or emailed reports and analysis. Further, SoCalGas asked [REDACTED] bidders to make significant changes to the programs compared to what was proposed (Oracle and Bidgely to accommodate splitting the program [REDACTED]).

To a varying extent [REDACTED] bidders tried to modify or eliminate some of the existing legal terms and conditions that are difficult to apply to Behavior or to better balance the risk between SoCalGas and the bidder. While the SoCalGas solicitation teams effectively managed the negotiation process, the IE found that the [REDACTED]

The Bidgely contract was the first [REDACTED] to be finalized with the Oracle contract about 30 days later. [REDACTED]

[REDACTED] Table 4.1 summarizes the key terms of the Bidgely and Oracle residential contract terms.

Table 4.1: Contract Summary		
Topic	Bidgely	Oracle
Offerings	Email Home Energy Reports, Customer Web Portal	Paper Reports, Email Home Energy Reports, Online Tools, Customer Interface, FAQ Web Page, AMI Data Integration, Implementation Support Services
Existing Behavioral Waves	3, 6, 8, 9, 11, 12, 14, 15	1, 2, 4, 5, 7, 10, 13
Contract Value		
Pay-for-Performance		
Number of Customers (Initial)	660,451	1,124,819
Net Therm Savings	16,893,952	26,500,000
Program TRC	3.47	3.63
Program PAC	3.47	3.63
Total System Benefits	\$6,409,846	\$26,934,828
DBE %	30%	31%
Contract Period	3 years	Up to 3 years

a. Collaboration on Final Program Design and Scope

SoCalGas collaborated with both Bidgely and Oracle on the final program design both in terms of reconfiguring the program to meet its achievements with only a portion of the existing waves (to divide the program for two contractors) and limiting the offerings to digital only reports and a web portal.

The Bidgely budget reduction came from reducing the number of Bidgely customers (from about 1.7 million to 660,000) and from eliminating the need for paper reports or high bill alerts. Oracle’s budget reductions came from reducing the number of customers from about 2.1 million to 1.1 million.

Regardless, this contract shall end on October 31, 2024, and the parties agree to modify the terms to account for a revised start date once it is known.

Neither Bidgely’s nor Oracle’s proposed program design changed substantially from what was proposed. The IE believes the collaboration with both bidders met the CPUC’s definition of a third-party program per OPN 10 of Decision 16-08-019: “the program must be proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.” Conclusions of Law 57 from the same Order clarifies that “utilities may consult and collaborate, using their expertise, on the ultimate program design implemented by the third party.” The collaboration and consultation between Bidgely or Oracle and SoCalGas did not result in a violation of the requirement that the program be designed by the third party.

b. Fairness of Negotiations

Bidgely: The contract negotiations between SoCalGas and Bidgely were transparent and effectively run. Contract negotiations occurred over a three-month period. SoCalGas used a contract mark-up for ease of tracking information and met multiple times with the bidder.

Oracle: The contract negotiations between SoCalGas and Oracle were transparent and effectively managed by SoCalGas program and procurement staff; however, the SoCalGas legal team was reticent to meet with Oracle.

[REDACTED]

c. Changes to Contract Terms & Conditions

Bidgely's requests for changes to [REDACTED]

[REDACTED] The IE made 44 comments in the contract, all which were accepted and implemented by SoCalGas. These comments identified minor errors, inconsistencies, and places where the contract terms were not applicable to the Behavioral program design.

Oracle requested the following high level contract modifications:

[REDACTED]

SoCalGas agreed to a number of modifications to address these concerns but did not modify [REDACTED]

[REDACTED]

The IE made 22 comments in the contract, all which were accepted and implemented by SoCalGas. These comments identified minor errors, inconsistencies, and places where the contract terms were not applicable to the Behavior program design.

d. Conformance with CPUC Policies and Objectives

Table 4.2 provides a summary of the way elements of the program align with CPUC Policies and Objectives.

Table 4.2: Contract to Guidance Comparison		
PRG Guidance and Other Considerations	Bidgely - Apex Comment	Oracle - Apex Comment
IOU should develop standard contract template. (PRG Guidance on Contracting, Section 6.1.1)	Confirmed. SoCalGas developed contract template and received review from PRG.	
Contract must include all CPUC standard (non-modifiable) contract terms in the contract. (6.1.2)	Confirmed. Final contract includes all CPUC standard (non-modifiable) contract terms.	
Contract includes CPUC modifiable contract terms as a starting point. (6.1.3)	Confirmed. Contract template included CPUC modifiable contract, which remained unchanged except for updating payment terms specific to the contract, noting sections that are most likely to not apply to behavioral programs as “if applicable”, and adding a description that the contractor software is intellectual property.	Confirmed. Contract template included CPUC modifiable contract, which remained unchanged except for updating payment terms specific to the contract, noting sections that are not applicable to behavioral programs, and adding a description that the contractor software is intellectual property.
Other aspects of the contract template do not conflict with CPUC terms and conditions, policies, decisions, or direction. (6.1.4/5)	Confirmed. IE reviewed the contract in entirety for conflicts.	
IE pool reviews standard contract template and provides comment. (6.1.6)	Confirmed. IE pool reviewed contract template.	
IOU must present its contracting negotiation process to the IE/PRG for review. (6.2.1)	Confirmed. IE was informed of the IOU process and approach to contract.	
IEs should monitor all bidder communications during the negotiation process. (6.2.2)	Confirmed. IE was included in all bidder communications and invited to all meetings.	
IOU should explain its contracting process to selected bidders. (6.2.3)	Confirmed. The IOU met with the bidder early in the process to explain the contracting process.	
Prior to execution, the assigned IE and PRG should review final contracts for each program recommended for award. (6.3.1)	Confirmed, IE reviewed the final contract on 7/30/2021.	Confirmed, IE reviewed the final contract on 9/02/21.
Reasonable number of KPIs.	Confirmed. There are four KPIs addressing different aspects of the contractor’s performance.	Confirmed. There are five KPIs addressing different aspects of the contractor’s performance.
KPIs make sense in terms of measuring, scale, timeframe.	Confirmed. IE provided comments on the initial draft to ensure Company, and Contractor ensured that KPI metrics were clearly specified in the KPI table.	

PRG Guidance and Other Considerations	Bidgely - Apex Comment	Oracle - Apex Comment
Contract includes appropriate performance issue remedies.	Confirmed. Time and scores that trigger performance issues are identified and described. Performance corrective processes are triggered by Performance goal accomplishment, and service delivery.	Confirmed. Time and scores that trigger performance issues are identified and described. Performance corrective processes are triggered by Performance goal accomplishment, cost-effectiveness alignment, service delivery, and DBE spending.
Contract clearly addresses Support Services.	Confirmed. Attachment 2 lays out Support Services offered by SoCalGas.	
Innovative aspects of the program are retained.	The original program design of the proposal was retained. SoCalGas worked to increase cost-effectiveness.	
If applicable, IDSM components are included.	NA	
If applicable, program considerations for HTR and DAC are incorporated.	NA	
Changes proposed by SoCalGas and Contractor were reasonable and fair.		

e. Uniformity of Contract Changes

SoCalGas worked to ensure uniformity in contracts between Bidgely and Oracle; however, significant differences exist in the program design, compensation approach, size, and risk tolerance of each company that drove final differences. SoCalGas began with a uniform contract template and adjusted each for unique aspects of each contract. Then, as adjustments were made to each contract during negotiation, SoCalGas also worked to ensure consistency, where relevant, with the other contract.

4.2. Final Selection

The final selection of bidders through contract negotiations for the Residential Behavioral Program are Bidgely and Oracle. The commercial contract remains open at this time.

4.3. Contract Execution

Both residential contracts have been executed as summarized in Table 4.3.

Bidder	Bid #	Years	Program
Bidgely	1	3	Residential Behavior
Oracle	1	3	Residential Behavior

4.4. PRG and IE Feedback to Contracting

No PRG feedback on either contract was received. SoCalGas accepted and incorporated all IE feedback on the contracts.

5. Assessment of Final Contract

5.1. Bid Selections Respond to Portfolio Needs

The final residential bids met the solicitation request to extend the existing residential behavioral waves. The commercial contract is outstanding.

5.2. Bid Selections Provide the Best Overall Value to Ratepayers

Both residential contracts have TRC ratios greater than 3.0 and both contracts provide more savings at a lower cost than originally proposed by the bidders. SoCalGas successfully negotiated the split of the existing residential behavioral programs to take advantage of the most cost effective and successful aspects of each bidder's proposal—Bidgely in its electronic reports and Oracle with its printed reports. Together contracts are largely based on P4P which will also minimize ratepayer risk.

6. Overall Assessment of Solicitation

SoCalGas conducted the solicitation in a fair and transparent manner and was successful in negotiating contracts with two bidders to cost-effectiveness extend the residential behavioral program with high cost-effectiveness and significant P4P elements. SoCalGas included the IE in all communications and meetings and incorporated all IE feedback into the final contract. SoCalGas maintained its proposed solicitation timeline until the negotiation phase when delays occurred due to extensive contract modifications requested by Oracle and inaccessibility of SoCalGas legal to engage directly to resolve the requests along with the fact that the original contract template had not been modified to address the unique program that did not include installations or rebates.

7. Implementation Plan Assessment

This solicitation activity will be reported in a future Semi-Annual Report.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

LOCAL INDUSTRIAL SECTOR SOLICITATION

Reporting Period: April 2021 through September 2021

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Local Industrial Sector Solicitation

1. Solicitation Overview

The Semi-Annual Report on the Local Industrial (Industrial) program solicitation covers the period between April 2021 through September 2021.

1.1. Overview

The Industrial solicitation seeks qualified Bidders to propose, design, implement, and deliver an innovative, resource-based program(s) that provides comprehensive, long-term natural gas EE results for existing industrial customers.

a. Scope

The purpose of this solicitation is to invite the EE industry to develop a resource-based, innovative, and comprehensive EE program(s) for the Industrial customer sector in SoCalGas' service territory. The Industrial sector accounts for approximately 25 percent of the annual energy usage of all SoCalGas customers.⁵¹

b. Objectives

The Industrial solicitation aims to solicit innovative, resource-based programs to address various market barriers and drivers, as identified in SoCalGas' Business Plan, resulting in more comprehensive, deeper, and longer-term energy savings. The selected Bidder(s) will assist SoCalGas in the achievement of various portfolio and sector metrics⁵² through a comprehensive set of program strategies and tactics.

1.2. Timing

The Industrial program solicitation was released as scheduled on March 19, 2021.⁵³ Table 1.1 below presents a list of key solicitation milestones and expected completion dates. Unless otherwise noted, all milestone dates as of this Report were met or are on schedule.

Milestones	Expected Completion Date	Duration
RFA		
RFA Released	March 19, 2021	11 weeks
Optional Bidder Webinar	March 24, 2021	
Questions Due from Bidders	March 31, 2021	
Responses Provided by Company	April 7, 2021	
Bidder Abstracts Due	April 23, 2021	
Bidders Invited to RFP Stage	June 8, 2021	
RFP		
RFP Released	June 16, 2021	10 weeks
Optional Bidder Web-Conference	July 21, 2021	

⁵¹ See SoCalGas Business Plan, p. 152-158 available at [Business Plan](#).

⁵² See SoCalGas Portfolio And Sector-Level Metrics Compliance Filing, pp. 69-75, available at [SoCalGas Portfolio And Sector-Level Metrics](#).

⁵³ Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at [caeecc.org](#).

Table 1.1: Key Milestones		
Milestones	Expected Completion Date	Duration
Questions Due from Bidders – Round 1	July 27, 2021	
Responses Provided by SoCalGas – Round 1	August 2, 2021	
Questions Due from Bidders – Round 2	August 5, 2021	
Responses Provided by SoCalGas – Round 2	August 10, 2021	
Bidder's Proposal Due	August 27, 2021	
Contracting & Implementation		
Successful Bidder(s) Notified*	October 2021	Pending
Negotiation & Contracting*	Quarter 4 2021	
Contract Executed*	January 2022	
Advice Letter Approved*	May 2022	
Notice to Proceed with Work*	May 2022	
Implementation Plan Uploaded to CEDARS*	June 2022	
Anticipated Program Launch*	Quarter 3 2022	
* - Estimated		

1.3. Key Observations

The IE and the IOU had several discussions during the development of the RFA materials. All substantial IE comments were considered and adopted. As a result, there were no significant observations for this reporting period.

2. RFA Bidder Response and Selections

2.1. RFA Development

The RFA requirements were adequate to provide the IOU sufficient information on the bidders' proposals. SoCalGas continued to further refine its RFA to reduce the number of questions assigned to the bidder. Many of the previous bidder questions requested program detail (e.g., budget forecast by cost category and by year) that was not necessary to evaluate program abstracts at the RFA stage. As a result, the refined RFA requirements limited bidders to twelve (12) questions. The limited number of questions helped the IOU more efficiently review abstracts while clearly identifying the preferred program designs. The IE notes the RFA questions could be further refined and reduced without impacting the quality of submission or the evaluation process.

2.2. RFA Outreach

The solicitation outreach relied on a general awareness of SoCalGas' program solicitations to the bidder community through several announcements and IOU-specific workshops regarding upcoming EE program solicitations. The IOU also posted general information onto its third-party solicitation webpage and the CAEECC website.

2.3. RFA Bidders' Conference

SoCalGas held the bidders' conference on March 24, 2021. There were approximately ten (10) firms represented at the conference. Potential bidders had ample time during the conference to ask questions. Bidders were also provided an opportunity after the Bidders' conference to provide written questions. In response, SoCalGas received several questions covering various topics such as: strategic energy management eligibility, heating/water heating eligibility for commercial-type applications, fuel substitution eligibility and credit (gas-to-electric), access to customer information, segment eligibility, DBE preference, and eligible program cost types.

2.4. RFA Bidders' Response

The table below summarizes the number of abstracts received in response to the request for abstracts released by SoCalGas.

	Number
Abstracts Expected	
Abstracts Received	
Abstracts Disqualified	

2.5. Abstract Selection Process

a. RFA Bid Screening Process and Management of Deficient Bids

Before scoring the bidder abstracts, SoCalGas conducted a bid screening process that consisted of two threshold reviews: (1) minimum requirements (timeliness and completeness of submissions) and (2) program eligibility (consistency with the prescribed scope of work). SoCalGas' Supply Management group conducted the minimum requirement screening, and the IOU's program lead conducted the program eligibility review. The program eligibility review confirms abstracts meet the prescribed scope of work. This review is an effective practice as it prevents the evaluation team from expending time and effort to score an abstract that does not conform to the prescribed scope of work. All [REDACTED] passed the initial minimal requirements screening. The IE agreed with the IOU's assessment for both threshold reviews.

b. RFA Evaluation Team Profile

The SoCalGas' evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU's staff. There were no conflicts of interest reported by SoCalGas or its team members. SoCalGas held a group training session for the scoring team before evaluating the abstracts. The training included an overview of the RFA, conformance with the Company's code of conduct, including the conflicts of interest policies, IE and PRG roles, scoring criteria, and the scorecard.

Training included a detailed review of the scorecard and how it should be applied in evaluating the abstracts. SoCalGas did not perform a mock scorecard exercise due to the amount of effort and time it takes to create an exercise plan and the lack of viable examples to apply to such training. The IE believes SoCalGas' detailed review of the scorecard and guidelines during the evaluator training session adequately substituted for a mock exercise. The tables below present SoCalGas' evaluation team roster during the solicitation.

Number of Reviewers	Position Title	Position Role	Area(s) Scored
2	Customer Programs Advisor	Program Staff	All
2	Engineer	Engineering Staff	All
1	Supervisor	Program Solicitations	All

c. RFA Scoring Rubric Design

The IOU applied the scoring rubric shown in Table 2.3 in the review of the bidder's abstracts.



[REDACTED]

Table 2.3: RFA Scoring Rubric	
Category	Weighting
Program Design (includes Innovation with assigned weight of 15%)	[REDACTED]
Compliance	[REDACTED]
Cost and Pricing	[REDACTED]
[REDACTED]	[REDACTED]

The supporting scorecard was applied to 12 bidder questions. This number of questions was far less than previous solicitations, which helped reduce the burden on both the IOU’s evaluation team and, especially, the participating bidders. The number of questions was sufficient to identify the quality of the bidder’s abstract and to determine a shortlist at the RFA stage.

d. RFA Evaluation Process and Scoring Calibration

The IE monitored the RFA evaluation process, including the team calibration meeting. The calibration meeting was held over two days and addressed any significant differences among scorers within discrete scoring elements. During calibration, the evaluators automatically discussed scores with two (2) or more points among individual scores. The IE considered this an effective practice.

In calibration, team members were encouraged to share how they applied the scoring rubric for a given score. At their discretion, team members could adjust their initial score to correct for misapplication of the scoring guidelines or misunderstanding of the bidder's response. In certain instances, team members elected to change scores. All adjustments seemed reasonable and well founded. The IE did not see any team member force their perspective onto others during the calibration. Discussions were well reasoned, professional, and at no time were any team members encouraged to change their score. The IE had no significant disagreements with the score team’s final assessment of the abstracts.

e. RFA Abstract Selections

The IOU relied on the final aggregate team scores to rank the abstracts. SoCalGas relied on the natural break among scores to create the bidder shortlist. SoCalGas’ process was sound and reasonable and resulted in the IOU inviting those bidders who received the highest scores into the RFP stage.

[REDACTED]



2.6. PRG and IE Feedback to Abstract Process and Selection

SoCalGas provided the opportunity for both the PRG and the IE to review and comment on the RFA materials. The IOU was asked by the PRG to consider the PRG Guidance document in preparation of the IOU's RFA materials. The IOUs response to the PRG's guidance and the IE feedback is discussed below.

a. Adherence to PRG Guidance

In support of the IOUs' EE program solicitations, the PRG created a PRG Guidance document which listed a variety of PRG recommendations regarding all aspects of the IOUs' solicitations, including the RFA stage. The PRG Guidance document included over 80 discrete PRG recommendations regarding the RFA stage. As confirmed by the IE, the IOU incorporated all applicable PRG recommendations into the RFA materials and scoring rubric with one exception. The PRG recommends that IOUs include a standard contract in the RFA for bidders as information only. SoCalGas did not provide a standard contract but did include the Company's proposed terms and conditions along with the CPUC standard and modifiable terms and conditions.

b. Response to IE Feedback

The IE provided 41 recommendations to SoCalGas on the draft RFA materials and scorecard. The IOU accepted all comments. The recommendations were directed at various aspects of the draft RFA including: the scoring criteria, refinements to bidder questions, updates to reference documents, and various PRG recommendations previously not adopted.

3. RFP Bidder Response and Selections

3.1. RFP Development

Overall, the RFP did not impose excessive requirements upon the bidder. The RFP balanced the need for information to evaluate bidder proposals with the burden placed on the bidder in responding to the RFP. The RFP included general instructions and a response form (narrative and data), along with the applicable CPUC standard and modifiable contract terms and conditions. SoCalGas also presented its proposed Company-specific terms and conditions for the bidder's consideration. SoCalGas asked bidders to provide responses to 20 questions and to populate program-related data in a workbook template. The RFP imposed reasonable page limits that allowed ample opportunity for bidders to provide a clear and complete response.

The IE provided 21 discrete comments and corresponding recommendations. All IE recommendations were accepted by SoCalGas. The IE comments were primarily focused on improving the quality and compliance of the RFP’s general instructions, narrative response form, and the Company’s proposed terms and conditions.

3.2. RFP Bidders’ Conference

SoCalGas held an optional RFP bidders’ conference on July 21, 2021. [REDACTED] invited to the RFP stage attended. Invited bidders had ample time during the conference to ask questions. Bidders were also provided an opportunity after the conference to provide written questions by July 27, 2021, and again by August 5, 2021. SoCalGas received a total of 15 questions from bidders regarding fuel substitution, strategic energy management measurement and verification guidance, new custom process review timing requirements, total system benefit reporting, natural gas leak detection technologies, request for a deemed measure list, cost-effectiveness at the measure level, annual budget caps, water energy calculator, and treatment of preexisting customer projects. The IE reviewed SoCalGas’ draft response to each question prior to release to the bidders. The IE recommended minor adjustments to a few draft responses, and SoCalGas accepted the IE’s recommendations. Overall, the responses were complete and accurate. SoCalGas provided responses to bidders on all questions by August 2, 2021, and August 10, 2021.

3.3. RFP Bidder Response

All invited bidders responded to the RFP with full proposals. The table below summarizes the actual response to the RFP released by SoCalGas.

	Number
Proposals Expected	[REDACTED]
Proposals Received	[REDACTED]
Proposals Disqualified	[REDACTED]

3.4. Proposal Selection Process

a. Bid Screening Process and Management of Deficient Bids

SoCalGas implemented a bid screening process that was generally consistent with the approach presented to bidders in the RFP package. All proposals passed the bid screening review. The bid evaluation consisted of two parts: (1) a threshold assessment to determine the responsiveness of the proposal to minimum requirements; and (2) proposal content scoring (for proposals that meet the threshold assessment requirements).

SoCalGas first evaluated the threshold assessment criteria (Items A, B, and C) on a pass/fail basis, as presented below. Only proposals that received a “Pass” on the threshold assessment were evaluated for proposal content.

b. Threshold Assessment Criteria

- A. On-time submittal via PowerAdvocate
- B. Proposal responsiveness
- C. Bidder and proposed program are eligible if bidder meets the RFP requirements, and the proposal does not include the following:

- Programs that target Residential, Public, Commercial, or Agricultural customers;
- Unproven new technologies⁵⁴, tool development, research and development (R&D), or completion (market testing) of a product;
- Demonstration, pilot or “proof of concept” projects, R&D prototypes, and limited production technologies that cannot support an effective EE program;
- Statewide EE programs or programs that overlap with statewide programs;⁵⁵
- Programs that are primarily based on behavioral measures (Note: Resource program designs that include a behavioral-based strategy are acceptable);
- Income Qualified EE programs;
- Programs that solely promote demand response programs;
- Non-EE programs/services and services that support other EE programs;
- EM&V consulting services and program support services⁵⁶;
- Programs that are solely a non-resource program [Note: Resource program designs which include non-resource strategies (e.g., marketing, training, etc.) are acceptable]; and/or
 - Programs that overlap or duplicate the efforts of Local Government Partnerships or Regional Energy Networks.⁵⁷

c. Scoring Rubric Design

The scoring categories and weighting generally followed the PRG and the IE guidance. [REDACTED]

⁵⁴ Unproven new technologies are defined as deemed technologies without a work paper. Unproven technologies and unapproved technologies are synonymous.

⁵⁵ A listing of current statewide program implementation plans is provided in CPUC’s CEDARS website <https://cedars.sound-data.com/programs/list/>

⁵⁶ Services that propose to support other EE programs with services and/or tools.

⁵⁷ See D.18-05-041, OP 30, “The investor owned utilities must work with Local Government Partnership partners to improve cost-effectiveness and to meet the local governments’ needs with respect to data sharing and contract terms that align with local government budgeting, legal, and other constraints; quantify co-benefits and local economic benefits of Local Government Partnerships in hard-to-reach and disadvantaged communities; and support local governments’ efforts to increase local capacity to conduct energy efficiency activities.” See also Joint Cooperation Memorandum of SoCalGas, PG&E, SCE, and 3C-REN, Pg. 1-2, “D.18-05-041 acknowledged the potential overlaps between IOU PAs and non-IOU PAs and directed PAs with overlapping service areas to submit annual JCMs that show how the PAs would avoid or minimize duplication for programs that address a common sector in overlapping service territories. Specifically, OP 38 of D.18-05-041 directed the IOU PAs and Non-IOU PAs to submit their first annual JCMs for approval via Tier 2 advice letters no later than August 1, 2018, noting that the IOU PAs and Non-IOU PAs shall: (1) summarize all the programs they intend to run and indicate which programs may overlap; (2) describe how each will work with the other so that customers are informed of all options and not steered simply to their own programs; and (3) describe how each will ensure customers are also aware of the others’ programs, where that administrator does not have a similar offering.

Table 3.2: RFP Scoring Rubric	
Category	Weighting
Social Responsibilities	
Program Design & Implementation (includes 10% weighting for Innovation)	
Measurement & Verification (M&V)	
Cost and Energy Savings	
Skills and Experience	

d. Evaluation Team Profile

The SoCalGas’ evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU’s staff. There were no conflicts of interest reported by SoCalGas or individual team members. SoCalGas held a group training session for the scoring team prior to evaluating the proposals. The training included an overview of the RFP, conformance with the Company’s code of conduct including the conflicts of interest policies, scoring criteria, IE and PRG roles, and the solicitation scorecard.

Table 3.3: RFP - IOU Evaluation Team			
Number of Reviewers	Position Title	Position Role	Primary Area(s) Scored

e. Evaluation Processes and Scoring Calibration

SoCalGas applied the same scoring methodology to all proposals. No exceptions were made. All information provided by the bidders was scored as part of the evaluation process. The evaluation team completed its review and scoring by September 1, 2021. Overall, SoCalGas evaluation approach was neutral and conducted in a fair and transparent manner.

The evaluation team held a one-day calibration meeting on September 22, 2021. The IE monitored the RFP evaluation processes, including the team calibration meetings. The calibration meetings were held to identify and address any significant differences among scorers for any of the discrete scoring elements. Team members were encouraged to discuss how they applied the scoring guidelines for a bidder response to a given scoring element. Data input errors were able to be discovered at that time. Team members, at their own discretion, were able to adjust their initial score to correct for misapplication of the scoring guidelines or misunderstanding of the bidder’s response. In some instances, team members elected to adjust scores. All adjustments seemed reasonable and well founded. Discussions were well reasoned and professional, and at no time was any team member coerced/encouraged into changing their scores.





f. Shortlist and Final Selections

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

3.5. PRG and IE Feedback to Proposal Process and Selections

a. Adherence to PRG Guidance and Feedback

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

b. Response to IE Feedback

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

4. Contracting Process

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

5. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

6. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

7. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

Energy Efficiency Independent Evaluator's Semi-Annual
Report on the

LOCAL LARGE PUBLIC SECTOR PROGRAM

Reporting Period: April through September 2021

Prepared by:
Apex Analytics LLC.



Disclaimer: This report includes sensitive and confidential information.

Local Large Public Sector Program

1. Solicitation Overview

This Report covers the activities associated with the Local Large Public Sector (Large Public) solicitation for the period from April through September 2021. During this period, SoCalGas received bids for the initial RFA, reissued the RFA, and conducted scoring and shortlisting; the IE (Apex) monitored all steps in this process, reviewed, and provided feedback.

1.1. Overview

The purpose of the Large Public solicitation was to invite bidders to develop an innovative and comprehensive EE program(s) for Large Public customer segments in SoCalGas' service territory.⁵⁸ The solicitation was based on the needs and strategies provided in SoCalGas' Business Plan as a tactic to achieve deeper EE savings. One of SoCalGas' portfolio goals is to achieve, at a minimum, 60 percent third-party programs by the year 2022. Working towards this goal, the Large Public solicitation is for third-party Program Implementers to design and implement innovative programs that address EE savings.

This program includes the local government, federal government, K-12 education, Special Districts and Public-Owned Utilities segments, but excludes public buildings covered by statewide programs or previously solicited SoCalGas programs. With limited access to capital and performance uncertainty regarding future benefits, many public eligible customers have difficulty investing in EE retrofits. Paired with market barriers including high first cost, capital expenditure approval processes, and limited awareness of efficient technologies and EE programs, the public sector is challenged to pursue EE retrofits. SoCalGas solicited third-party Program Implementers to propose, design and implement new and innovative programs to help SoCalGas achieve its portfolio goals including cost-effectiveness obligations.

a. Scope

The SoCalGas Public Sector market is defined as essentially "tax-based" government organizations. The public sector is further defined by four segments: local government, state government, federal government, and education. The RFA excludes those segments that are already covered by Statewide programs, such as correctional facilities, hospitals, state agencies, and California community colleges and state universities.

A large and very large public customer is defined as a customer whose maximum annual demand is greater than 50,000 therms. The RFA defines "very large" as customers whose demand is greater than 100,000 therms.⁵⁹

This RFA aimed to solicit innovative, comprehensive, resource-based program ideas, which include non-resource components to address various segment barriers and drivers identified in SoCalGas' Business Plan and assist SoCalGas in the achievement of various portfolio and sector metrics,⁶⁰

⁵⁸ See SoCalGas Business Plan, Pg. 244 (Public Sector Vision) & Pg. 256-258 (Public Sector Energy Usage), available at https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF.

⁵⁹ See SoCalGas Business Plan, Pg. 258 (Table 7 – Energy Consumption by Customer Size), available at https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF.

⁶⁰ See SoCalGas Portfolio and Sector-Level Metrics Compliance Filing, Pg. 76-80, available at <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M233/K545/233545545.PDF>.

through comprehensive tactics which may include but are not limited to: deep retrofits, direct install, custom measures, energy assessments and other forms of technical assistance, leverage of available financing options, leverage of available Regional Energy Networks which provide added support to public sector customers; partnerships with non-governmental organization and other entities (e.g., Municipal Utilities and Water Agencies); partnerships with local small business organizations and community-based organizations; use of local technical consultants, contractors and vendors; focus on modifying organizational decision-making; and/or focus on adoption by public customers who serve rural communities, HTR communities, and DACs.

SoCalGas encouraged interested bidders to submit abstracts that address all or, at the bidder's discretion, a subset of all public sector customers including large and very large public sector customers throughout SoCalGas' service territory, the exception being Statewide Programs and commercial-sector customers (these customer groups will be addressed in separate RFAs). Bidders were encouraged to propose flexible local program designs that can address customers across multiple public segments and/or groups cost-efficiently and effectively. Abstracts were requested to include the flexibility to target specific customers based on criteria such as, but not limited to, specific climate zones, customer site-specific energy savings potential, facility size, distribution system needs, and members of DACs.

b. Objectives

The solicitation is designed to achieve comprehensive, long-term energy savings and program opportunities that will assist SoCalGas in achieving portfolio and sector-level metrics⁶¹ related to the Large Public sector. This solicitation encourages the exploration of all relevant delivery channels and program strategies to implement a cost-effective program to maximize natural gas efficiency savings for the large- and very large-sized public sector customer.

1.2. Timing

During this reporting period, SoCalGas issued an initial RFA solicitation and only one bidder responded. Due to internal SoCalGas threshold policies for competitiveness, SoCalGas suspended the RFA, issued a survey to registered bidders to understand barriers, conducted additional outreach to attract new bidders, and re-issued the RFA in July 2021. [REDACTED]

Milestones	Expected Completion Date	Duration
RFA Stage		
Round 1 Solicitation Launch	April 23, 2021	25 weeks
Round 2 Solicitation Re-Launch	July 16, 2021	
Offer Submittal Deadline	August 13, 2021	
RFA Shortlist to PRG	August 31, 2021	
RFP Notification	October 14, 2021	
RFP Stage		
Solicitation Launch	November 8, 2021*	Pending
Bidders' Conference	Late November 2021*	

⁶¹ See SoCalGas Business Plan, Pg. 244 (Public Sector Vision) & Pg. 256-258 (Public Sector Energy Usage), available at https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF.

Table 1.1: Key Milestones		
Milestones	Expected Completion Date	Duration
Offer Submittal Q&A Period	Late November 2021*	
Offer Submittal Deadline	December 2021*	
Cure Period	Late December 2021*	
RFP Shortlist to PRG	February 2022*	
Shortlisting Notification	February 2022*	
Contracting Stage		
Contracting and Negotiations Period	Q1 2022*	Pending
Contracts Presented to PRG	Q2 2022*	
Contract Execution	Q2 2022*	
* Estimated, not yet occurred		

1.3. Key Observations

During this reporting period, SoCalGas has managed the Large Public solicitation effectively. SoCalGas upheld its internal policies regarding number of bids for competitiveness and worked with the IE and PRG to develop creative solutions to the lack of sufficient responses to both rounds of the RFA. Table 1.2 represents key IE issues, observations, and outcomes, where applicable, from the assigned IE for the Large Public Sector.

Table 1.2: Key Issues and Observations			
Topic	Observation	IE Recommendation(s)	Outcome (IOU Action/Response)
Low Bidder Participation	For the first RFA, SoCalGas issued the RFA a second time with the goal of increasing bidder participation.	To encourage more bidders, in future solicitation cycles, SoCalGas should combine Large Public with other offerings such as large commercial or small/medium public.	NA (several years into the future)

2. RFA Bidder Response and Selections

2.1. RFA Development

The solicitation design met SoCalGas' intention to procure resource-based programs targeted at the Large Public sector, consistent with the CPUC-approved Business Plan and Solicitation Plan. The solicitation requested that bidders propose programs that would help achieve SoCalGas' savings goals and applicable portfolio and sector-level metrics as incorporated into the IOU's Annual Budget Advice Letter.

The Stage One RFA was intentionally designed to be less burdensome on Bidders and aimed to foster a marketplace for innovative ideas. The IE reviewed the RFA templates and believes the RFA design and approach are fair, sufficiently transparent, and equitable. The IE reviewed the Large Public RFA in March 2021 and again in June. [REDACTED]

[REDACTED] The fundamental bid documents (template, scoring, etc.) were unchanged. In the Scope of Work, SoCalGas added additional information on excluded and included public segments and associated load with the goal of providing additional information to bidders. In both rounds, SoCalGas addressed and accepted all edits and recommendations from the IE. In general, the main document, including the Scope of Work, was high quality and clear. The IE added edits to increase clarity and ensure that program

characteristics were appropriate for Large Public. The abstract template had been improved from previous RFAs allowing for simplified questions reducing the bidders' efforts at this stage. The IE and SoCalGas reviewed documents for consistency and agreed upon edits in multiple sections. The IE recommended edits to the abstract questions and template. SoCalGas completed, and the IE reviewed, the checklist and the IE recommended updates to various aspects of the checklist.

2.2. RFA Outreach

Bidders were informed about solicitation opportunities through three main sources. SoCalGas used Proposal Evaluation & Proposal Management Application (PEPMA) to notify bidders regarding the solicitation. Contractors registered in PEPMA received emails informing them of the solicitation opportunity. SoCalGas also communicated with potential bidders through its Solicitation Website and CAEECC web site. In an attempt to overcome the low bidder participation from the original round, SoCalGas also sent notification to supply management's list of identified DBEs.

SoCalGas' outreach approach using PEPMA, supplemented with additional communications, is fair, transparent, and equitable. SoCalGas led the solicitation outreach without IE involvement. We tracked the progress of the outreach efforts based on abstracts and proposals received, as well as questions from bidders.



2.3. RFA Bidders' Conference

SoCalGas held the bidder's conference on April 28, 2021. This was held as a Teams Live event, which was a new platform. In this setting, attendees cannot view other participants in the meeting and are unable to talk during the presentation (i.e., only SoCalGas/approved speakers). Bidders were able to ask questions through the Q&A feature of the Live Event, which was an improvement over previous bidder webinars. The Webinar covered background such as role of the IE and PRG, two-stage solicitation process, PowerAdvocate, and DBE goals. It also covered details on the Large Public solicitation, including the scope of work, RFA schedule, RFA package, RFA scoring, and FAQs. SoCalGas provided three time periods within the webinar for bidders to submit written questions and provided an associated break during the webinar for attendees to create and submit questions. There [REDACTED] attendees—two PRG members, one IE, and [REDACTED]

During the webinar, attendees asked nine questions total. Three of these were related to DBE and four were related to the scope of the solicitation (e.g., inclusion of students from K-12 schools, water/wastewater, small public, and connection with the outreach solicitation), and two were related to specifics of the RFA (e.g., definition of year, responses to bidder questions). SoCalGas answered the questions during the session and will provide written, final responses after the written Q&A deadline.

For the RFA re-issue, SoCalGas did not hold another bidder Webinar. Instead, SoCalGas shared the pre-recorded version and the previous Q&A with bidders. The IE recommended that SoCalGas include previous bidder questions in the Q&A to ensure that all bidders have the same information; SoCalGas accepted this request.

SoCalGas received two new questions from bidders regarding whether incentives were included in budgets and the inclusion of K-12 schools. The IE reviewed the responses and had no edits.

2.4. RFA Bidders' Response

Only one bidder responded to the initial RFA which closed May 28, 2021. SoCalGas notified bidders that the market response was too low to allow moving forward with the solicitation. SoCalGas shared this notification with the IE for review and input. To understand barriers to participation, SoCalGas drafted a survey of bidders. The IE suggested edits to reduce the number of questions using a main close-ended question and an open-ended final question, which SoCalGas accepted.

The bidder survey responses indicated that there were multiple barriers to participation, including: size and scope of the solicitation, competition with other solicitations, and the solicitation not being a good fit for the Bidder's companies. Overall, the responses indicated that the solicitation documents were clear. The open-ended responses most frequently requested that the entire public sector should be included in the solicitation, sharing of the attendee list to facilitate partnering and general difficulties with the sector. The bidder who submitted a bid responded that it was not fair that the solicitation was on hold.

SoCalGas decided, with IE and PRG input, to reissue the RFA in order to provide additional details and more time to the bidding community to submit a bid with the goal of encouraging more bids. In July 2021, SoCalGas reissued the Large Public RFA in an attempt to gain more participation from the market. As shown in Table 2.1,



Table 2.1: Solicitation Abstract Response	
	No.
Abstracts Expected	
Abstracts Received – Round 1	
Abstracts Received – Round 2	
Abstracts Shortlisted	

2.5. Abstract Selection Process

a. Bid Screening Process and Management of Deficient Bids

For the RFA re-issue, SoCalGas performed a threshold assessment in which the Company evaluated abstracts to ensure bidders provided all required information and were eligible for scoring. Then, the SoCalGas supply team reviewed proposals to ensure they were eligible based on the minimum RFA requirements.

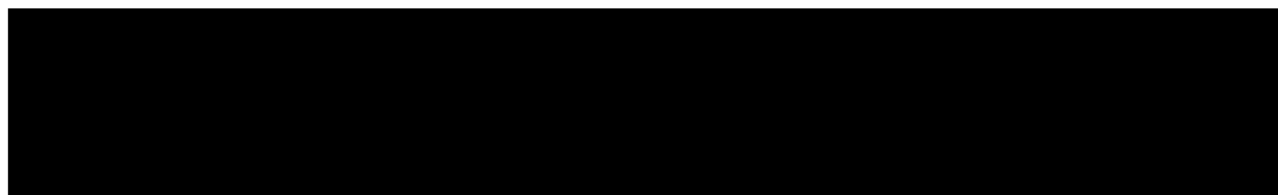
b. Evaluation Team Profile

SoCalGas conducted scorer training for the RFA on May 28, 2021, which included detailed information on the scoring rubric, weights, and FAQs. The IE provided input into the scorer training materials and attended the session. The scoring training was well attended and was useful for discussing scoring approaches and aligning expectations across the organization. The training

provided helpful overviews of general processes and each scorecard item. In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities; there were no conflicts of interest reported by scorers. Table 2.2 provides information about the scoring team.

Number of Reviewers	Position Title	Position Role	Area(s) Scored
1	Manager/Advisor	Supply Management	License and Financial Information, DBEs and Social Responsibility Questionnaire
4	Customer Programs Specialist/Advisor	Program Staff	Program Implementation, Skills & Experience
2	Engineer	Engineering Staff	All including TRC/Energy Savings
1	Program Management Lead	Program Solicitations	Shadow Scorer/Screeener

c. Scoring Rubric Design



Category	Weighting	Subcategory	Weighting
Program Design		Program Design	
		Strategic Partnering	
		Program Outreach	
		Program Plan & Elements/Program Milestones	
		Project End-to-End Process	
		Comprehensive and Deeper Energy Savings	
		Innovation	
Compliance		Compliance	
Cost and Pricing		Incentive Design	
		Cost-Effectiveness Approach	
Experience and Capability		Capabilities	
		Program Experience	

d. Evaluation Processes and Scoring Calibration

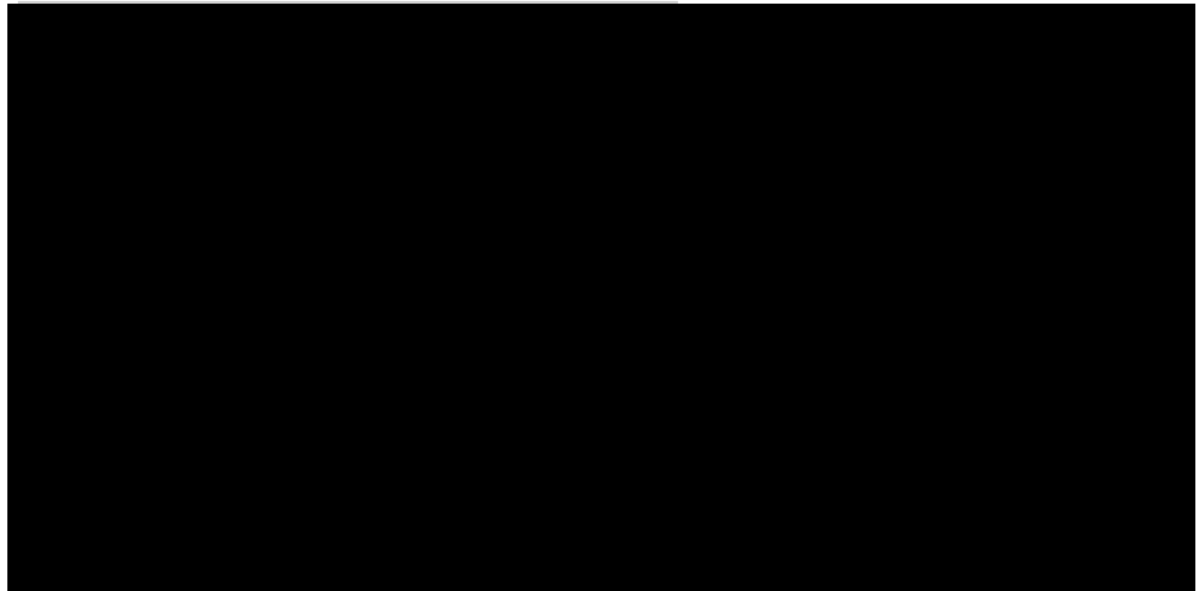
The SoCalGas process for scoring includes individual scoring of each bid for each scorecard item and an in-person calibration meeting to discuss scores of deviance. Prior to the meeting, the Solicitation team flagged scores that had more than a two-point deviation among scorers. At the meeting, an overview [REDACTED] was presented, then each score that had more than a two-point deviation was discussed. The order of these discussions was organized by scorecard topic (rather than bid), which helped to improve consistency of scores across bids. The IE conducted shadow scoring of bids, shared those scores with SoCalGas, and attended the scoring calibration meeting.

The SoCalGas process to score bids was consistent with established scoring criteria and defined processes. The calibration team meetings were well planned and well facilitated. During the meeting,

scorers were respectful and open to incorporating new information and changing scores, as appropriate. SoCalGas conducted its RFA evaluation in conformance with its established scoring criteria and process for the RFA. There were no non-conforming bids and there were no adjustments to deficient bids.

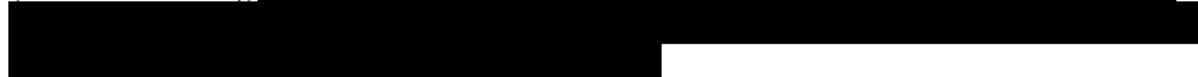


- The IE's and SoCalGas' final RFA scores and bid rankings were nearly identical.



e. Abstract Selections

During the shortlist meeting, SoCalGas and the IE discussed options for moving to the RFP phase. SoCalGas' [redacted] moving to the RFP led SoCalGas to not recommend a standard shortlisting process. Instead, SoCalGas recommended options to the PRG to move forward that included adding scope to existing contracts to cover the large public sector or inviting bidders from the large commercial RFP to the large public RFP. Based on PRG feedback (see section below), [redacted]

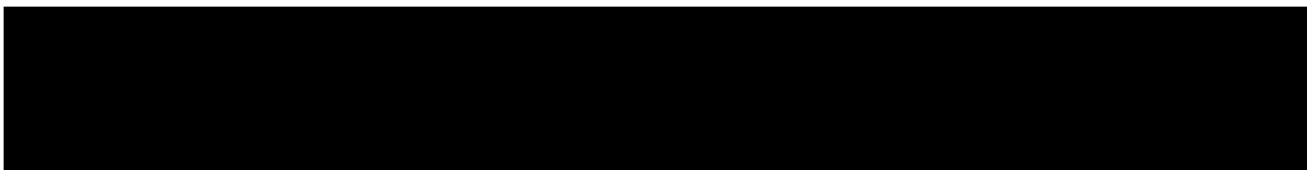


2.6. PRG and IE Feedback to Abstract Process and Selections

a. Adherence to PRG Guidance and Feedback

Generally, PRG checklists for solicitation documents showed that SoCalGas followed the PRG Guidance regarding solicitation materials.

Regarding the RFA re-issue in June 2021, the PRG provided feedback that, in future solicitations for the public sector, SoCalGas should consolidate across all size types to increase the bidder responses.





b. Response to IE Feedback

The IE provided feedback throughout the process, and SoCalGas was responsive in all cases to IE input.

3. RFP Bidder Response and Selections

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

4. Contracting Process

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

5. Assessment of Final Contract

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

6. Overall Assessment of Solicitation

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

7. Implementation Plan Assessment

This solicitation activity has not yet completed. Future Semi-Annual reports will address this topic.

Energy Efficiency Independent Evaluators' Semi-Annual Report on the

LOCAL MARKETPLACE SOLICITATION

Reporting Period: April 2021 through September 2021

Prepared by:
Don Arambula Consulting



Disclaimer: This Report includes sensitive and confidential information.

Local Marketplace Solicitation

1. Solicitation Overview

The Semi-Annual Report on the Local Marketplace program (Marketplace) solicitation covers the period between April 2021 through September 2021.

1.1. Overview

The Marketplace solicitation seeks qualified Bidders to propose, design, implement, and deliver a fresh, updated, innovative, non-resource Marketplace program(s) directed at all customer sectors (residential, commercial, industrial, agricultural, and public).

a. Scope

The IOU seeks an innovative and comprehensive Marketplace program to increase participation in SoCalGas' EE programs applicable to all sectors, including HTR customers, DACs, smaller-sized customers, and larger customer groups in nonresidential sectors. The Marketplace program should: follow the guidelines set forth by the state-mandated Assembly Bill 793, promote SoCalGas EE programs for all customer sectors, and not duplicate efforts of statewide EE programs, Energy Savings Assistance (ESA) programs, or previously solicited SoCalGas EE third-party programs. SoCalGas encourages innovative proposals to drive greater uptake of EE opportunities.

b. Objectives

The CPUC, in Resolution E-4820,⁶² directed SoCalGas to launch an online energy marketplace to comply with AB793 to educate customers on products, services, or software that allows a customer to better understand and manage energy usage in the customer's home or place of business. SoCalGas envisions the Marketplace program as a compliant and complementary component of all SoCalGas EE programs targeting all customer sectors, including HTR reach customers, DACs, smaller-sized customer groups, and larger customer groups in nonresidential sectors. The Marketplace program should promote SoCalGas' existing offerings and create greater participation by educating customers and local market actors on energy management technologies and other EE products and services.

The Marketplace program should benefit SoCalGas' EE portfolio by:

- Increasing general market and customer awareness of EE rebate programs, energy-saving education, energy savings tips, and opportunities;
- Providing outreach education and support for customers, including residential, smaller-sized customers, large customer groups in nonresidential sectors, and market actors to develop knowledge, skills, and abilities to participate in various programs and EE opportunities;
- Driving eligible customers to participate in SoCalGas' EE rebate program offerings and guiding eligible customers to the ESA program and California Alternate Rates for Energy (CARE) and other DSM opportunities; and
- Supporting customers and market actors with technical and EE information and advice

⁶² OP 1.b, pp. 34-35.

in adopting EE technologies and services.

1.2. Timing

The Marketplace program solicitation was released as scheduled on August 20, 2021.⁶³ Table 1.1 below presents a list of key solicitation milestones and expected completion dates. Unless otherwise noted, all milestone dates as of this Report were met or are on schedule.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA		
RFA Released	August 20, 2021	11 weeks
Optional Bidder Webinar	August 25, 2021	
Questions Due from Bidders	September 1, 2021	
Responses Provided by Company	September 8, 2021	
Bidder Abstracts Due	September 24, 2021	
Bidders Invited to RFP Stage	November 9, 2021	
RFP		
RFP Released	Mid-December 2021	Pending
Optional Bidder Web-Conference	December 2021	
Questions Due from Bidders – Round 1	December 2021	
Responses Provided by SoCalGas – Round 1	December 2021	
Questions Due from Bidders – Round 2	December 2021	
Responses Provided by SoCalGas – Round 2	December 2021	
Bidder's Proposal Due	January 2022	
Contracting & Implementation		
Successful Bidder(s) Notified*	April 2022	Pending
Contract Executed*	July 2022	
Advice Letter Approved*	September 2022	Pending
Notice to Proceed with Work*	September 2022	
Implementation Plan Uploaded to CEDARS*	November 2022	
Anticipated Program Launch*	Quarter 4 2022–Quarter 1 2023	Pending
* - Estimated		

1.3. Key Observations

The IE and the IOU had several discussions during the development of the RFA materials. All substantial IE comments were considered and adopted. As a result, there were no significant observations for this reporting period.

2. RFA Bidder Response and Selections

2.1. RFA Development

SoCalGas continued to refine its RFA further to reduce the number of questions assigned to the bidder. The RFA requirements were adequate to provide the IOU with sufficient information on the bidders' proposals. Many previous bidder questions requested program details (e.g., budget forecast by cost category and by year) that were unnecessary to evaluate program abstracts at the RFA stage. As a result, the refined RFA requirements limited bidders to nine questions. The limited number of questions helped the IOU more efficiently review abstracts while allowing bidders an opportunity to

⁶³ Solicitation schedules are updated periodically by the IOUs and the current schedule can be found at caeecc.org.

present their Abstracts fully.

2.2. RFA Outreach

The solicitation outreach relied on general awareness of SoCalGas’ program solicitations to the bidder community through several announcements and IOU-specific workshops regarding upcoming EE program solicitations. The IOU also posted available information onto its third-party solicitation webpage and the CAEECC website.

2.3. RFA Bidders’ Conference

SoCalGas held the bidders’ conference on August 25, 2021. There were over 20 attendees represented at the meeting. Potential bidders had ample time during the conference to ask questions. Bidders were also provided an opportunity after the Bidders’ conference to provide written questions. In response, SoCalGas received 17 questions covering various topics: program scope, annual budget caps, rebates for thermostats, list of current EE programs, future of the existing marketplace, cost-effectiveness requirements, targeted customer groups, and prior customer participation rates.

2.4. RFA Bidders’ Response

The table below summarizes the number of abstracts received in response to the request for abstracts released by SoCalGas.

	Number
Abstracts Expected	
Abstracts Received	

2.5. Abstract Selection Process

a. RFA Bid Screening Process and Management of Deficient Bids

Before scoring the bidder abstracts, SoCalGas conducted a bid screening process that consisted of two threshold reviews: (1) minimum requirements (timeliness and completeness of submissions) and (2) program eligibility (consistency with the prescribed scope of work). SoCalGas’ Supply Management group conducted the minimum requirement screening, and the IOU’s program lead conducted the program eligibility review. The program eligibility review confirms abstracts meet the prescribed scope of work. This review is an effective practice as it prevents the evaluation team from expending time and effort to score an abstract that does not conform to the prescribed scope of work. [REDACTED] passed the initial minimal requirements screening. The IE agreed with the IOU’s assessment for both threshold reviews.

b. RFA Evaluation Team Profile

The SoCalGas’ evaluation team roster is listed below. The team consisted of experienced subject matter experts drawn from the IOU’s staff. There were no conflicts of interest reported by SoCalGas or its team members. SoCalGas held a group training session for the scoring team before evaluating the abstracts. The training included an overview of the RFA, conformance with the Company’s code of conduct, including the conflicts of interest policies, IE and PRG roles, scoring criteria, and the scorecard.

Training included a detailed review of the scorecard and how to apply it in evaluating the abstracts.

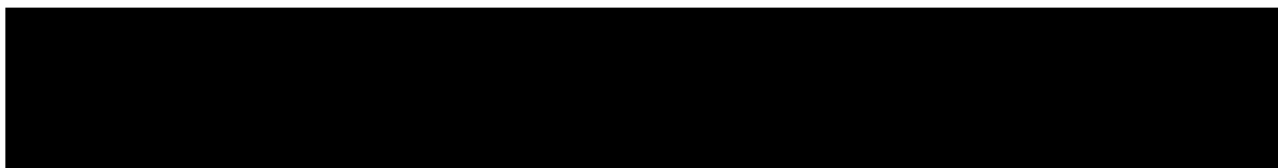
SoCalGas did not perform a mock scorecard exercise due to the amount of effort and time it takes to create an exercise plan and the lack of viable examples to apply to such training. The IE believes SoCalGas’ detailed review of the scorecard and guidelines during the evaluator training session adequately substituted for a mock exercise. The tables below present SoCalGas’ evaluation team roster during the solicitation.

Number of Reviewers	Position Title	Position Role	Area(s) Scored
4	Customer Programs Advisor	Program Staff	All
1	Engineer	Engineering Staff	All
1	Project Manager	Program Solicitations	Cost and Pricing

c. RFA Scoring Rubric Design



Category	Weighting
Program Design (includes Innovation with assigned weight of 15%)	
Compliance	
Cost and Pricing	
Experience and Capability	



d. RFA Evaluation Process and Scoring Calibration

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

e. RFA Abstract Selections

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

2.6. PRG and IE Feedback to Abstract Process and Selection

SoCalGas provided the opportunity for both the PRG and the IE to review and comment on the RFA materials. The PRG asked the IOU to consider the PRG Guidance document to prepare the IOU’s RFA materials. The IOU’s response to the PRG’s guidance and the IE feedback is discussed below.

a. Adherence to PRG Guidance

In support of the IOUs’ EE program solicitations, the PRG created a PRG Guidance document which listed a variety of PRG recommendations regarding all aspects of the IOUs’ solicitations, including the RFA stage. The PRG Guidance document included over 80 discrete PRG recommendations regarding the RFA stage. As confirmed by the IE, the IOU incorporated all applicable PRG recommendations into the RFA materials and scoring rubric, with one exception.

The PRG recommends that IOUs include a standard contract in the RFA for bidders as information only. SoCalGas did not provide a standard contract but included the Company's proposed terms and conditions and the CPUC standard and modifiable terms and conditions. This approach offers potential bidders an understanding of the CPUC's standard and modifiable terms and conditions and the IOU's proposed changes to the CPUC's modifiable terms and conditions.

b. Response to IE Feedback

The IE provided 14 recommendations to SoCalGas on the draft RFA materials and scorecard. The IOU accepted all comments. The recommendations addressed various aspects of the draft RFA, including improved RFA instructions, promotion of IDSM, Statewide program coordination, scoring rubric, refinements to bidder questions, updates to reference documents, and various PRG recommendations previously not adopted.

3. RFP Bidder Response and Selections

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

4. Contracting Process

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

5. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

6. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

7. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

Energy Efficiency Independent Evaluators' Semi-Annual
Report on the

LOCAL OUTREACH PROGRAM

Reporting Period: April through September 2021

Prepared by:
Apex Analytics, LLC



Disclaimer: This report includes sensitive and confidential information.

Local Outreach Program

1. Solicitation Overview

This Report covers the activities associated with the Local Outreach Program solicitation for the period of May 2021 through September 2021. During this period, SoCalGas completed the RFA design, launch, scoring, and shortlist, as well as the RFP design and launch. The IE reviewed and commented on the RFA, bidder webinar materials, responses to bidder questions, scoring training materials; monitored the pass-fail threshold assessment; conducted independent scoring; and monitored the calibration and shortlist discussions. For the RFP, the IE reviewed and commented on the RFP, bidder webinar materials, and responses to bidder questions.

1.1. Overview

The objective of this solicitation is for the EE industry to collaborate with SoCalGas in offering an innovative and cost-efficient program for conducting an outreach program to increase participation in SoCalGas' EE programs with a focus on DACs and HTR communities by addressing segment barriers and drivers identified in SoCalGas' business plan.¹

a. Scope

This solicitation encourages bidders to target both residential and commercial customers to expand program awareness and improve participation through comprehensive tactics which may include but are not limited to:

- Collaborating with key pertinent stakeholders on EE to enhance and develop EE outreach approaches with a focus on disadvantaged and hard-to-reach communities;
- Providing assistance to customers in HTR markets by offering services to help this targeted segment overcome traditional barriers to completing building energy upgrades;
- Partnering with local small business organizations and community-based organizations;
- Promoting existing workforce education and training efforts that support underserved Disadvantaged Workers and SBEs;
- Promoting existing efforts to introduce career pathways and enrichment to HTR workers and those in identified DACs;
- Providing energy assessments and other forms of technical assistance to customers and market actors in DACs and HTR communities;
- Leveraging available financing options to connect programs to fund project co-pays (e.g., 0% On-Bill Financing, private sector financing etc.);
- Leveraging available Regional Energy Networks;
- Coordinating with other entities with programs, such as Municipal Utilities and Water Agencies where customers that are dually served by both an IOU and a Municipal Utility; and/or

¹ https://www.socalgas.com/regulatory/documents/a-17-01-016/SoCalGas_Business_Plan-1.17.17-FINAL.PDF

- Collaborating with non-governmental organizations.

b. Objectives

The objective of this solicitation is to seek qualified Bidders to propose, design, implement and deliver an innovative Outreach program(s) to encourage customers in DACs and HTR communities to participate in SoCalGas’ portfolio of EE programs.

1.2. Timing

The Outreach solicitation is generally on schedule as planned. The Outreach RFA was released in May 2021, and the RFP was released in September 2021 with an anticipated program launch in the second to third quarter of 2022. RFA screening, scoring, and calibrating all occurred in July 2021 with a RFA Shortlist released on July 27, 2021. The RFP development took place in August 2021 and September 2021 with the RFP launch on September 27. Table 1.1 outlines key milestones for this solicitation.

Table 1.1: Key Milestones		
Milestones	Completion Date	Duration
RFA		
RFA Released	May 21, 2021	9 weeks
Optional Bidder Webinar	May 26, 2021	
Questions Due from Bidders	June 2, 2021	
Responses Provided by Company	July 9, 2021	
Bidder Abstracts Due	June 25, 2021	
RFA Scoring	June 29, 2021–July 21, 2021	
RFA Calibration Meetings	July 22–23, 2021	
RFA Shortlist Meeting	July 27, 2021	
RFP		
RFP Development	August 1, 2021–September 15, 2021	Pending
RFP Launch	September 17, 2021	
Bidders Webinar	September 22, 2021	
Bidder Q&A	September 28–October 12, 2021	
Proposals Due	October 29, 2021	
RFP Scoring	October 30–Mid-December 2021	
Proposal Selection	Mid-December 2021	
Contracting & Implementation		
Negotiation & Contracting	December 2021–March 2022	Pending
Anticipated Program Launch	July 2022	Pending

1.3. Key Observations

The solicitation process through the RFP release has been transparent and well-managed by SoCalGas. The RFA process was conducted in a transparent, fair, and equitable manner. SoCalGas allowed for IE input into every step of the process and integrated feedback where relevant. Table 1.2 outlines key issues and observations during this period.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
RFA Stage - Scoring			
Updated Scorecard Approach			

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Cost-Effectiveness	Cost-Effectiveness metric assesses “the approach for maximizing cost-effectiveness” and was vague and difficult to score.	The IE recommends calculating this metric in future RFAs more objectively, such as using estimates of bid price and projected additional participants to score, to reduce vagueness and subjectivity.	New recommendation.
Experience and Capabilities	The capabilities rubric required a lower score if key personnel are not identified by name. Some bidders indicated they could not “commit” to named personnel for an RFA given the amount of time before the contract began.		New recommendation on naming staff. “Similar” and “relevant” were better defined for the RFP as suggested.
RFP Design			
Template	The initial draft contained many of the traditional terms for resource programs.	The IE recommended modifications for clarity and to remove RFP elements focused on resource type programs.	SoCalGas incorporated all the suggested changes.

Table 1.2: Key Issues and Observations			
Topics	Key Observations	IE Recommendations	Outcomes
Scorecard Improvements	The RFP eliminated some topic areas that were not applicable to Outreach while increasing the weight on DBE%. Other topics were unchanged.	<p>[REDACTED]</p> <p>The IE also worked with SoCalGas to address additional recommendations noted in the Behavioral program to:</p> <ul style="list-style-type: none"> • Reducing complexity of scorecard elements. • KPI scoring should identify topics that KPIs should cover and score how well the KPIs address the topics. 	SoCalGas incorporated all of the IE recommendations into the RFP.

2. RFA Bidder Response and Selections

2.1. RFA Development

SoCalGas developed the Scope of Work and RFA package for the Outreach solicitation. The IE reviewed the package multiple times, and SoCalGas made substantial adjustments based on IE feedback. Most of the IE comments on the solicitation centered around adjusting the template to be more applicable to a non-resource program. Although bidders may propose resource elements, the primary focus for the solicitation is outreach to increase participation, particularly in other resource-based programs. Given the lower budget and possibly smaller firms that may participate, the IE worked on simplifying the language in the RFA and abstract template as much as possible and focused on the non-resource elements. Further, given past experience with other solicitations, the IE worked with SoCalGas to modify the scorecard to simplify it and focus more on proposal content than proposal detail.

2.2. RFA Outreach

Bidders were informed about solicitation opportunities through three main sources. SoCalGas used PEPMA to notify bidders regarding the solicitation. Contractors registered in PEPMA received emails informing them of the solicitation opportunity. SoCalGas also communicated with potential bidders through its Solicitation Website and CAEECC web site.

SoCalGas’ outreach approach using PEPMA, supplemented with additional communications, is fair, transparent, and equitable. SoCalGas was fair in its selection of bidders who received information about the bid and transparent in terms of the ways the utility sought to engage potential bidders. Table 2.1 provides statistics on the bidder response to the Public Solicitation.

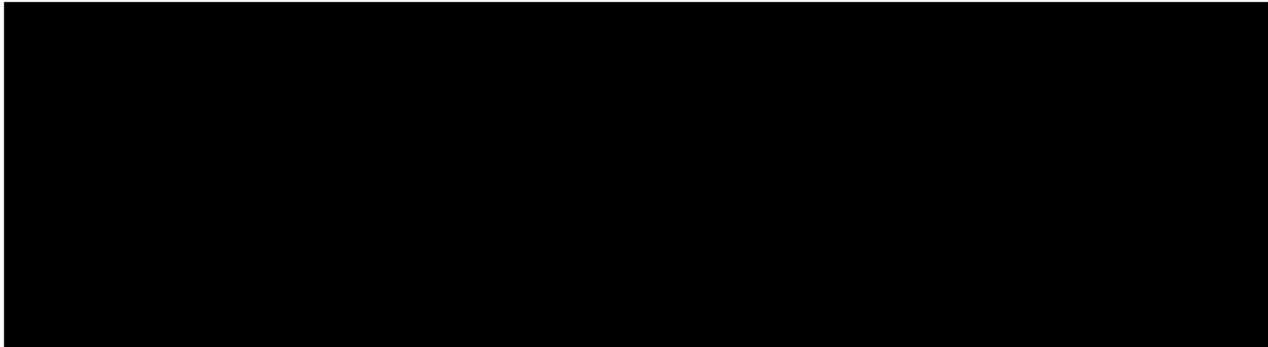
SoCalGas led the solicitation outreach without IE involvement. We tracked the progress of the outreach efforts based on abstracts and proposals received, as well as questions from bidders.

2.3. RFA Bidders’ Conference

The Bidder Webinar attracted 24 participants (excluding IE and CPUC). Many of them were anonymous, but those named represented nine different companies. Seven questions were asked during the webinar including topics such as level of collaboration envisioned with SoCalGas

marketing, how resource elements would impact scoring, and if there are implementation plans for the other programs.

2.4. RFA Bidders' Response



The solicitation response is summarized in Table 2.1.

Table 2.1: Solicitation Response	
	Number
Bidders Registered	
Bidders Accessing RFA	
Abstracts Received	
Abstracts Disqualified	
Complete and Eligible Abstracts	

2.5. Abstract Selection Process

a. Bid Screening Process and Management of Deficient Bids

SoCalGas performed a threshold assessment in which the Company evaluated abstracts to ensure bidders provided all required information and were eligible for scoring. Then, the SoCalGas supply team reviewed proposals to ensure they were eligible based on the minimum RFP requirements.

b. Evaluation Team Profile

SoCalGas conducted scorer training for the RFA on June 23, 2020, which included detailed information on the scoring rubric, weights, and FAQs. The IE provided input into the scorer training materials and attended the session. In both cases, the scoring training was well attended and was useful for discussing scoring approaches and aligning expectations across the organization. The training provided helpful overviews of general processes and each scorecard item. In addition, SoCalGas requested that reviewers attest there was no Conflict of Interest related to performing their evaluation responsibilities; there were no conflicts of interest reported by scorers.

c. Scoring Rubric Design

SoCalGas' evaluation criteria (scoring rubric) and associated weightings for the RFA stage was generally consistent with CPUC direction and the Company's approved Business and Solicitation Plans. Prior to issuance of the RFA, SoCalGas shared the scoring weights and scorecard with the IE for review and feedback. After integrating IE feedback, SoCalGas shared these with the PRG for feedback. Table 2.2 provides the RFA Scoring Rubric for the Outreach Solicitation.

Category	Weighting	Subcategory	Weighting
Program Design	[REDACTED]	Program Design	[REDACTED]
		Program Outreach	
		Strategic Partnering	
		Market Barriers and Proposed Strategies	
		Innovation	
Compliance	[REDACTED]	Compliance	[REDACTED]
Cost and Pricing	[REDACTED]	Cost-Effectiveness Approach	[REDACTED]
		Budget	
Experience and Capability	[REDACTED]	Capabilities	[REDACTED]
		Program Experience	

d. Evaluation Processes and Scoring Calibration

[REDACTED]

- The scoring process conformed to established evaluation processes.
- The calibration team meetings were well planned and well facilitated.
- SoCalGas integrated the IE into all key meetings (RFA conformance, calibration, and shortlist meetings).
- Scorers clearly spent significant effort to review and score the bids. Scorers were respectful and open to incorporating new information during the calibration meeting and changing scores, as appropriate.
- The IE scores varied somewhat from average scores from SoCalGas. However, SoCalGas' individual scores varied from each other.

[REDACTED]

In shortlisting, SoCalGas selected [REDACTED]. SoCalGas anticipates it could choose multiple bids and did not want to eliminate more bidders due to the variety of approaches offered. While the IE recommended a shorter list, the IE felt that SoCalGas had valid reasons for including additional abstracts. Further the variation among scorers and IEs among the different attributes indicated that a clear break point was not obvious.

[REDACTED]

Scores between the IEs and SoCalGas followed similar trends, however differences in individual topics by individual scores may have varied in each area as noted below:

- Program Design – likelihood of success
- Compliance – whether the bidders listed relevant legislation and CPUC policies and described how program addressed.

- Cost-Effectiveness – likelihood that program is cost-efficient
- Capabilities and Experience – whether experience is similar or relevant

e. Abstract Selections

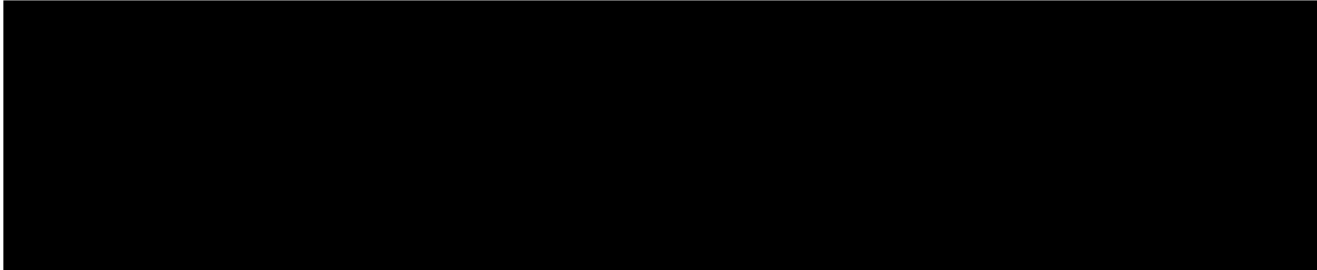


Table 2.3: Bids Selected to Move to RFP Stage	
Bidder	Program
[Redacted]	

2.6. PRG and IE Feedback to Abstract Process and Selections

a. Adherence to PRG Guidance and Feedback

As noted above, SoCalGas shared initial templates of RFA materials first with the IEs and then with the PRG. The Outreach RFA was shared with the solicitation-specific IE and then the PRG for feedback. PRG and IE feedback was incorporated into solicitation materials.

At the RFA phase, the PRG requested that the RFA states that implementers should work with customers to avoid confusion with the ESA programs and what paid vs. no-cost programs are available to them which was incorporated

b. Response to IE Feedback

The IE added to the discussion during scoring calibration to ensure proposals were scored against the rubric and consistent reasoning was used on all proposals.

3. RFP Bidder Response and Selections

3.1. RFP Development

SoCalGas prepared an RFP consistent with the RFA approach to remove inapplicable requirements and terminology and ensure scoring improvements incorporated into the RFA continued.

The IE did not have any major issues of disagreement with SoCalGas on the RFP design. SoCalGas was open and collaborative with the IE in adjusting the RFP. The IE identified points where the RFP language was vague, where scoring could be better defined, or places where SoCalGas may be requiring information that is not applicable to outreach.

Specific areas of discussion included the following:

- Offering KPI categories that bidders are suggested to cover in the KPIs to provide

example and help bidders be more comprehensive in their proposals.

- For new scoring criteria not included in the RFA, adjusting the rubric to ensure both content and level of detail are considered when scoring.
- Clarifying the difference between “similar” and “relevant” program experience in the scoring rubric.
- Clarifying which elements of RFP requirements are applicable only if the bidder proposes resource elements.
- [REDACTED]
- Clarifying the types of strategic partners expected to be utilized by bidders.
- Clarifying that experience desired is that of delivering non-resource programs similar to what is requested through this solicitation.
- Noting in the RFP that draft contracts may be modified to be more applicable to this program prior to negotiations.

SoCalGas presented the draft RFP to the PRG and received no further comments.

3.2. RFP Bidders' Conference

SoCalGas shared its bidder conference materials (including the pre-recorded CET and PowerAdvocate training) with the IE prior to the bidder conferences. The IE recommended a couple of minor changes to clarify that CET is only required if the bidder proposes resource elements.

3.3. RFP Bidders' Response

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

3.4. RFP Proposal Selection Process

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

3.5. PRG and IE Feedback to Proposal Process and Selections

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

4. Contracting Process

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

5. Assessment of Final Contract

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

6. Overall Assessment of Solicitation

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.

7. Implementation Plan Assessment

This solicitation activity has not yet occurred. Future Semi-Annual reports will address this topic.